

# 7 Fatal Cash Flow Management Mistakes



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How do you feel today about how you manage your money? Well, we can do something about it. A lot of cases with big money problems get handled with a software product that we have.

It's probably not *all* your fault that you are in the financial shape that you are in, and you probably don't do *everything* wrong when you manage your money. And I don't want to make you wrong for what you have done with your money.

Long ago, I noticed an odd thing about people in business. The business will try to spend all the money it makes! No matter how much money the company makes, they spend it all, and then spend some more using lines of credit. Now, I noticed that American business was doing this routinely.

So one day I thought this over and it just didn't make any sense. I decided to change this scene for American business. I'm able to do that now. I developed a software tool for just that, based on some established and sound cash flow management principles from over 60 years ago.

## 7 Fatal Cash Flow Management Mistakes Business Owners Make

I put together this list of the Fatal Cash Flow Management Mistakes I see most business owners making. Some of these mistakes are made when you get bad information from others about how to manage money.

I call these Fatal Mistakes for a good reason. They make you feel like you have no right to succeed, that there is something wrong with you, or that it is all your fault — even when you deliver a high quality product or service, have great staff, are ethical, give great customer service, and make lots of money.

I've included what some business owners said who took our Money Management Score analysis. And I've shared some information that I gave these business owners that may help you if you're in these situations. (Our Money Management Score is one of my coaching tools - it's an analysis that I use to find out how a business person is doing financially in their business.)

## Fatal Mistake #1 – Relying only on your accounting system to make financial decisions.

**“How much money do I have in the bank right now? Can I pay this bill?”**

**“I pay my bills based on how much money my accounting system (Quicken<sup>®</sup>, or QuickBooks<sup>®</sup>) says is left in my checking account.”**

Now an accounting system like QuickBooks is useful (I use it myself) but it does have a downside. What's that, you ask?

Well, the downside of an accounting system is this — it can only report what happened IN THE PAST.

When you try to make *real time* or *future* financial decisions based on outdated information from your accounting system, you are being controlled by the money — instead of you controlling your money.

You should only look to today or to the *future* when you plan how to use your company's income to your company's best advantage — BEFORE the money comes in and BEFORE it gets spent.

One of the most important parts of this system is called Income Planning.

Income Planning means working out how your business is going to get in the income it needs at the beginning of every week, so you have a plan of action to operate on.

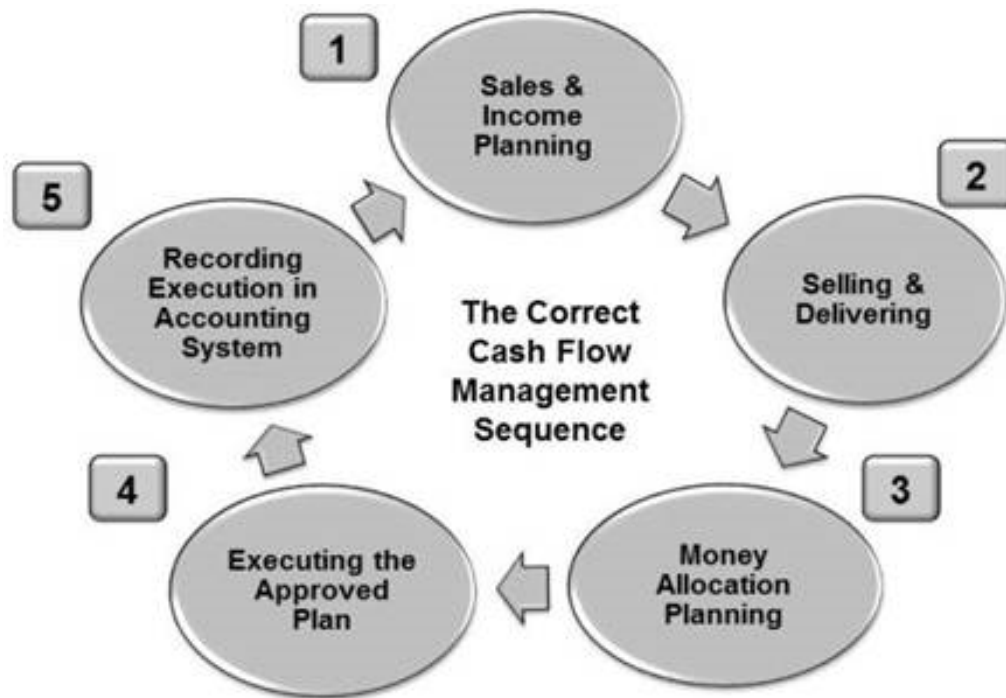
Planning out how you are going to spend your promotional budget to bring people in, or get them to call, so you can sell them your products and services.

Planning out how you are going to close them once they contact you, while at the same time delivering what others have already purchased.

Don't spend your time and energy worrying about paying the bills. Making the money to pay the bills is the first step in the sequence of good cash flow management.

If you write out a plan at the beginning of each week, and spend your time and energy working that plan, your attention stays on serving your customers, and that is where it should be.

Then, at the end of the week, there is the planning on exactly how to use the money that came in to the best advantage of the business to ensure its survival.



That's what the Cash Flow Mojo® software does. It's a PLANNING TOOL that business owners use to make smart planning decisions about how to increase their income and then use their money, so they can be in control of their financial future.

## Fatal Mistake #2 – Paying out more than you get back.

**“I’ll just have to try harder to sell more to pay my expenses.”**

This business owner has to come up with a solid plan of action to produce more income and do it profitably. Trying, or hoping, isn't going to do it if the business is out-spending its income every week.

If you feel like every dime you make gets sucked into a black hole to pay bills and leaves you asking yourself, “Where did all the money go?” Here are some steps you can do every week to make more money.

**RESEARCH YOUR MARKET** — First, find out what products or services your customers want and then provide that. One way to find out what they want is to look over your recent sales reports, and find out what product is selling the best. Ask the customers what benefit they expected from their purchase. Customers are more interested in benefits than in features, so use what they said in your advertising to promote that product.

**PROMOTE TO YOUR MARKET** — There is an art to promoting something so that it will be

responded to by your customers. Promotion does not necessarily mean offering a discount. It's more important to find out why a customer wants or needs what you have to offer, and what they will base their buying decision on. Price may not be as important as fast delivery and dependable service.

**SELL AND DELIVER** — Selling is easier when you are genuinely interested in your customers and want to help them. ASK your customers what they want. Then it becomes much easier to sell them that product or service. For example, a family of 4 who wants a van to cart the kids and their equipment around to sports activities is going to walk off in disgust if the salesperson is showing them 2-door sports models, despite the fact that the sports car is a good deal.

**PREVENT THE WASTE OF RESOURCES** — For every dollar you agree to spend in your business, ask how it is going to bring \$5 or more worth of income back into your business. Carve out a percentage of the income every week to fund a promotional budget and then figure out the most effective ways to reach your customers within the budget. It is no laughing matter when the income you worked hard to earn gets wasted on things that do not give you a return on your investment.

**REPEAT SUCCESSFUL PROMOTIONAL ACTIONS** — Look back at when you were last making the most sales. Find out what your successful actions were at the time and do those actions again. I would be remiss if I didn't mention that you should be using internet marketing in your promotional mix. It is the most cost effective marketing you can do, and gives you a better than average chance at getting a great return on your investments since what you put on the internet stays there forever, selling for you 24/7, until you take it down.

Let's face it. Nothing stays stable for long. With no plans and actions to push income up, it is sure to go down eventually. Our software uses a simple system to make sure you are carving out some promotional money every week to grow your business.

### **Fatal Mistake #3 – Not taking an active role in the cash flow management decisions for your company**

**“I wish had some more money.”**

**“I just make the money. My bookkeeper handles the accounting.”**

This business owner is not reaching the level of profits and wealth that he expected the company to produce. He feels discouraged that the income is not keeping pace with the increasing cost of doing business.

He is not controlling the outgo of money in his company. That's like knowing there's that black hole the money is pouring into, but instead of finding the faucet and turning it off, he just works longer hours to try to make up for the losses.

One thing that small business owners are not aware of is that it's not only how much you make, it's what you do with it that determines your financial condition.

If the subject of small business money management is tackled properly, you can leverage the power of your business in a way that your business can really take off. You will find that the most successful business owners are also very intelligent in this area of small business money management.

Ideally, you should be using your money in such a way that it helps you to make even more money. Many common financial management actions tend to keep companies cash poor and in a dangerous financial condition.

## **When It Comes To MONEY, Ignorance Is Not Bliss!**

There is a very simple science to controlling the flow of money to create wealth. Very rich people know this science.

I created the Cash Flow Mojo Software Program to give you a simple tool so you can do this for yourself in about 30 minutes a week.

The revolutionary Cash Flow Mojo Software makes using this science to control your money very simple. It is quickly learned and easy to implement in any business.

Why is controlling the flow of money so important? It is the fuel in the gas tank of a business that keeps it going. It is necessary to pump it through the income producing areas first to keep it running well.

Everything runs smoother when cash is available. When the gas tank needle is hovering around the empty mark all the time, then your attention gets fixed on the fact you are almost out of fuel, instead of having your attention on being interested in serving your clients or patients.

### **Fatal Mistake #4 – Working just to pay the bills with no long-term financial plan for the future**

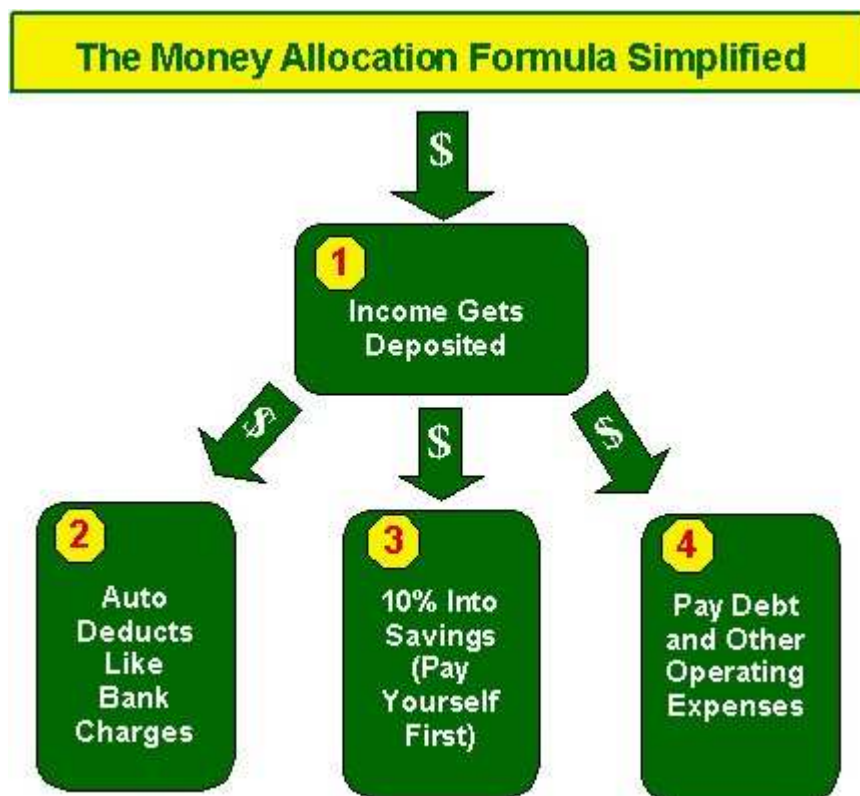
**“I just don't make enough money to save any right now.”**

This business owner is not setting aside any cash for his own savings, so he has nothing to show for the work that he is doing. This is not fair to him or to his family. In addition, having no savings is causing quite a bit of stress in the company. This company is unable to handle even the smallest financial emergency.

He needs to stash away some emergency cash reserves for the future survival of the company and for his own personal welfare.

PUT A MINIMUM OF 10% OF YOUR INCOME AWAY IN SAVINGS and don't ever spend it. Set aside regular amounts of cash from your income for the future – always pay yourself first and put the money in savings toward gaining financial freedom.

Most business owners pay themselves a salary for their job production inside the business, but they fail to pay themselves for the hat they wear carrying the full responsibility of being the owner and taking all the risk.



The ultimate wealth building system requires a minimum of 10% of income be stashed into savings out of every dime you earn. I highly recommend you read "The Richest Man In Babylon" written in 1926 by George S. Clayton.

The Cash Flow Mojo software system shows you an easy way to pay yourself this extra amount each week, and more besides. Then you just sock it away and forget you even have it. As it builds up, move it to places that earn better interest than the bank savings accounts. This includes buying houses and commercial buildings you can rent out to make more money. I

guarantee you'll sleep better at night just knowing you have a cushion of cash sitting there.

## **Fatal Mistake #5 – Failure to monitor cost increases and make adjustments to maximize your profits**

**“I don’t know where I can cut expenses.”**

Just trying to pay bills and cover payroll is causing this person a lot of worry. It is critical to this person to both reduce his expenses, and generate more income for his company. If you know exactly how much you are spending to run the business, and where the money is going, you can identify areas of waste or even areas where more needs to be spent to get the income up and increase profitability.

In my experience, before using the Cash Flow Mojo software, my clients UNDER-estimated what they needed to run their business by 10 - 13%. **A critical mistake when you are aiming for an income target that is too low!**

Our software utilizes a simple calculation form so you know exactly what it's costing you to run your business each week and tells you exactly how much income you need to bring in each week to:

- 1 — break even,
- 2 — have money set aside for emergencies, and
- 3 — have money set aside for expansion and long-term wealth building.

PLUS, it helps identify those areas where expenses can be cut while income is being pushed up.

**FIND WAYS TO MAKE MORE MONEY** – the cost of doing business goes up about 8% every year, so you need to make more money just to keep up.

How much more do you need? The cash flow management system helps you figure that out and helps you to make adjustments so you are *always* setting the correct weekly income target to plan toward.

**Look over your line of products and services and figure out how to sell more of the profitable items. Be willing to discontinue items that are not bringing in enough profit for the time, effort and cost to sell them. Figure out new products and services you can sell to create multiple streams of income.**

The secret to making more money is pretty simple if you put your attention on it. The ultimate wealth building system helps you look at every financial decision you make with an eye on the return on investment you will get for the money you spend.

## **Fatal Mistake #6 – Spending more than you make**

**“Sure, I’ll be able to pay off these debts easy... I think.”**

This person’s financial survival is at risk. He has an ever-increasing amount of debt building up on credit cards and lines of credit. Interest charges are eating up his company’s profits. By buying on credit, he is committing his company’s future income to the credit company. This is economic slavery.

**DO NOT BUY ON CREDIT** – pay cash instead. Debt is a disease that you should avoid contracting.

If you need to buy something that is expensive, my cash flow management software shows you how to put money away towards the purchase every week until you have the cash.

For large purchases like furniture and equipment, buy used instead of brand new. Remember, those items lose value from the moment you buy them.

The Cash Flow Mojo software program contains a great tool called the Financial Controller Form to make sure that spending does not exceed income. (The controller helps you allocate the income that cleared the bank.)

It makes deciding where to spend the money to the company’s best advantage a real no-brainer. It includes a simple system to get past due bills and debt paid off, while you’re also able to promote more to increase income and build up savings to handle emergencies.

## **Fatal Mistake #7 – Doing nothing about this for yourself**

**“Profits are down this year, I’ll look into using the Cash Flow Mojo software program later.”**

For LESS THAN THE PRICE OF LUNCH you can get the 30-Day trial of the Cash Flow Mojo software at <http://www.CashFlowMojoSoftware.com>

Well, this software does some interesting things. It's a method of reversing all the mistakes a person has made with money, and makes sure he never makes those mistakes again. You understand that if a person never made any mistakes with money, he'd be a lot better off, wouldn't he?

Well, with this software program, he just reverses all the money mistakes he's ever made and he's in great financial shape. Take a crack at it for 30 Days for less than you would pay for lunch. Check it out by clicking this link. <http://www.CashFlowMojoSoftware.com>

**For more information about the Cash Flow Mojo software,  
call Sandra Simmons at 239-331-7055  
or email her at [Info@MoneyMgmtSolutions.com](mailto:Info@MoneyMgmtSolutions.com)**

### **Recommended Reading**

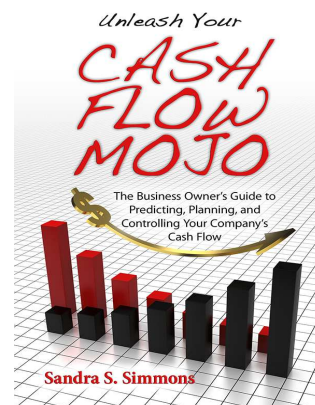
#### **Business Checklist To Increase Profits**



There is a simple science of managing money correctly that increases profits. Very rich people know this science. This Checklist for Increasing Profits is based on it. You can use the checklist to substantially improve your financial condition.

Click this link to learn more  
<https://bit.ly/3HKoybY>  
About this valuable tool

#### **Unleash Your Cash Flow Mojo®**



There is a simple system of planning and controlling a company's cash flow to increase income and profits, pay off debt, pay bills, and get cash into savings to build financial security. This book describes the system in a simple manner that can be used by any business owner to plan and control their cash flow instead of being controlled by the balance in their bank account.

Click this link to buy this book  
<https://amzn.to/42x7qP6>  
From Amazon.com