

# Cash Flow Playbook



Give your  
cash flow  
advice a  
megaphone

# Amplify your cash flow advice:

As an accountant, your advice to your clients often includes cash flow. You understand it is the life blood of any business and poor cash flow management can undo any successful business.

That's why we've put this guide together for your clients; to help you amplify your cash flow message with third-party validation from Australia's largest non-bank payment solutions provider, Ezidebit.

## RESEARCH SHOWS THE AVERAGE AUSTRALIAN SMALL BUSINESS WAITS 56 DAYS FOR THEIR ACCOUNTS TO SETTLE.

With the right cash flow approach and your clients can:

- Reduce their chances of late payments
- Reduce admin costs on managing, collecting and chasing payments
- Increase their competitive advantage

For 17 years Ezidebit has helped businesses of all sizes throughout Australia and New Zealand use their cash flow management as a strategic driver of their business.



It's an obvious strategy to you. It's also an important message that you deliver to your clients on a daily basis. Give your cash flow advice a megaphone.

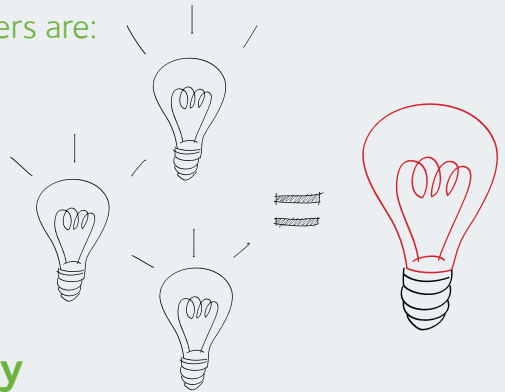
Download a copy of this guide and email it to your clients at [www.ezidebit.com.au/cashflow](http://www.ezidebit.com.au/cashflow)

# Great businesses can fail because of cash flow blunders

The amount of revenue your business turns over in a month is obviously a significant contributor to your overall business performance and profitability. BUT, the amount of revenue your business generates is only one indicator of the financial position of your business. The hard truth is great businesses can fail because of cash flow blunders – regardless of how much revenue is coming in the door.

Our top tips to avoid cash flow blunders are:

- Understanding cash flow
- Forecasting cash flow
- Being firm on late payers



## Cash - your growth strategy

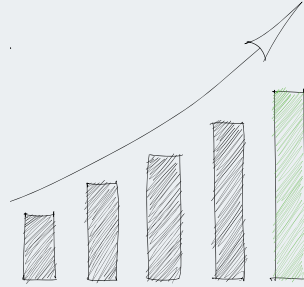
Your competitive advantage lies in the cash that your business has in the bank – and to get cash in the bank, you need cold hard cash to flow into your business every day that you operate. Without cash, you could end up in the stressful and expensive position of needing to rely on expensive credit to get by while you're waiting to be paid by your customers.

# What is Cash Flow?

A revenue or expense stream that changes a cash account over a given period. Cash inflows usually arise from one of three activities:

- 1: Financing
- 2: Operations
- 3: Investing

Although this also occurs as a result of donations or gifts in the case of personal finance. Cash outflows result from expenses or investments.



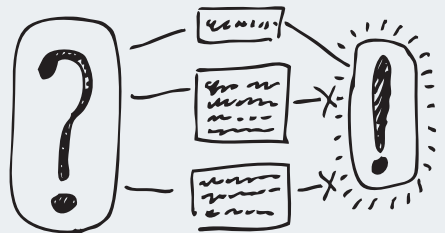
## WHAT IF...

**YOUR REVENUE FIGURES ARE INCREASING MONTH AFTER MONTH, IT MUST BE SAFE FOR YOU TO ASSUME THAT BUSINESS IS GOING RATHER WELL, RIGHT?**

YES + NO!

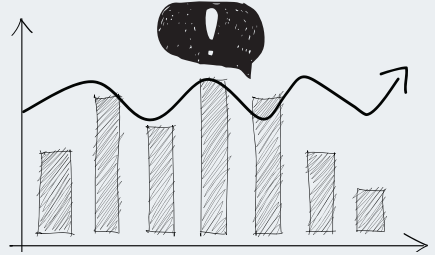
## How would your business cope?

How would your business cope if you were to receive all of your revenue on the last day of the month? How would you pay your staff (and all the other expenses that pop up) every day of the month before you got paid? This is where the importance of cash flow and why you need to care about it, becomes clear.



# Control your own destiny

These days it is much harder and more expensive for businesses to obtain credit. This can significantly slow the growth of any SME. The most successful small businesses are controlling their own destiny and keeping cash reserves to use instead of expensive bank credit. As long as your business has cash in the bank, you have ammunition to outplay and outlast your competition.



## What is your cash flow forecast telling you?

If late payers leave you footing the bill while you're waiting to get paid, you are exposing your business to significant cash flow risk. If the cash doesn't arrive in your business account quickly, you will need to dip into your cash reserves to continue operating.

If this is happening in your business, your late payers are likely to be stifling your cash flow and could be holding your business back from achieving its fullest potential. Think about all the things you could achieve in your business if you were to automate your cash inflows so that you never have to dip into your cash reserves to continue operating.

# Cash flow matters to every employee

For even the most experienced workers, finding secure employment is becoming increasingly competitive. Accordingly, your staff have a vested interest in the financial health of the business that keeps them in steady employment – yours. This is why cash flow should be a priority for every employee in your business.

## How to get cash flow onto everyone's radar

Try implementing some of our experts' top tips to getting cash flow onto everyone's radar in your business:

- Share monthly cash flow reports with senior staff, explain how the numbers in those reports affect the business and encourage discussion amongst the group. Over time, these cash flow meetings will up-skill your senior staff and improve cash flow management across your business.
- Provide guidance to your staff for discussing payment terms with your customers.
- Be clear, and communicate terms and penalties for late payers.



# Improve your cash flow

One failsafe strategy to improve your cash position – without increasing your fees – is to get paid by your customers faster. By increasing the speed of your inbound cash flow (i.e. asking your customers to pay you faster), you can increase the amount of cash you have available at any time – and use this cash to gain an edge over your competitors.

Focus on:

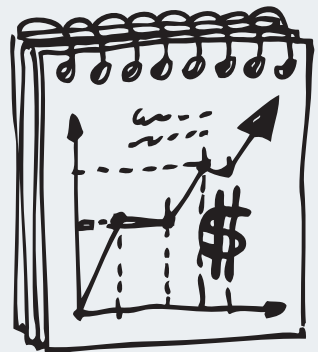
- Getting paid faster and on time
- Splitting larger amounts in smaller, regular payments
- Moving customers onto auto-scheduled payments

# Improve your cash flow forecast

Operating in a credit-crunching post-GFC business environment definitely has its challenges for small business owners. Customers are increasingly searching for the lowest-cost option and banks aren't as ready to lend cash to help you get through seasonal downtimes or fund your next growth initiative.

- Control when you get paid (don't wait to get paid)
- Break large payments into smaller, more manageable amounts
- Automate your incoming payments

The key to success lies with improving the way you do business to achieve internal efficiencies, reduce your operating costs, increase your positive cash flow and ultimately increase your **profits**.

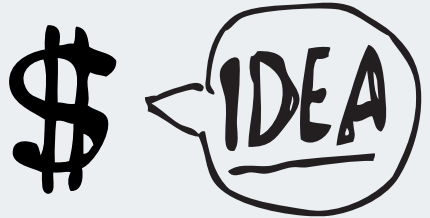


# Don't get left behind

We have helped thousands of Australian businesses including SMEs grow their organisation by designing payment strategies for their customers. As experts in the payments industry, let our team guide you through how to set up a simple payment plan and offer it to your customers.

Get a trial account setup today by talking with an Ezidebit payments expert.

Australian business's average 53 days to settle accounts, a primary roadblock to business success.



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