

Short Term Cash Flow

If we want short term cash flow, the honest truth is most of us should be getting a job. Starting a small business is about building long term equity (making your business worth something!). However without short term cash flow, a business cannot survive.

What does this mean for you? Figure out how your business will make money, and how quickly this money is likely to come in. Can you survive this long? If not, it is time to become creative about getting money in quicker.

Here are some questions to ask yourself:

Is there some type of upfront fees I can charge? Is there a different product or service that complements what I'm doing, but is sold quickly? Is there a product/service in the marketplace that is complementary, but something that I could sell on behalf of another company to build a client base? Should I be saving up more money prior to starting this venture? Should I be looking at getting an investor upfront that will bridge this gap between development and the first sale? Even though development isn't done, should I be selling today to warm up the customer base?

By realizing this could be a problem upfront, you can come up with a plan to make sure this doesn't happen. The second trick - building equity. This is all about making your company bigger than you. This means that it should be able to run without you, think bout how that could happen (and if that can happen) at the beginning. The more difficult it is to duplicate something, the less true equity you can build in a business.

TIP: Without money in the bank, you aren't in business.

Business Solver Modules:

- ❖ Cash Flow
- ❖ What Should You Spend Money On?
- ❖ Choosing Revenue Streams

