

# The 10 Cash Flow Rules You Can't Afford to Ignore

By Philip Campbell

The 10 Cash Flow Rules You Can't Afford to Ignore

Philip Campbell  
pcampbell@growandsucceed.com

Grow and Succeed Publishing, LLC <http://www.growandsucceed.com>

The statistics on small business failure are alarming.

Michael Gerber, author of "The E-Myth: Why Most Small Businesses Don't Work and What To Do About It", says that 40% of businesses fail in their first year. 80% fail within their first five years.

THEY RAN OUT OF CASH.

Don't let this happen to you.

Here are 10 Rules to help you take control of your cash flow so you can create the business you have always dreamed of.

## 1. Never Run Out of Cash.

Running out of cash is the definition of failure in business. Make the commitment to do what it takes so it does not happen to you.

## 2. Cash Is King

It's important to recognize that cash is what keeps your business alive. Manage it with the care and attention it deserves. It's very unforgiving if you don't.

Remember, Cash Is King, because No Cash = No Business.

## 3. Know the Cash Balance Right Now.

What is your cash balance right now? It's absolutely

critical that you know exactly what your cash balance is.

Even the most intelligent and experienced person will fail if they are making business decisions using inaccurate or incomplete cash balances. That's the reason why business failures are not limited to amateurs or people new to the business world.

#### 4. Do Today's Work Today.

The key to keeping an accurate cash balance in your accounting system is to do today's work today. When you do this, you will have the numbers you need - when you need them.

#### 5. Either You Do the Work or Have Someone Else Do It.

Here is a simple rule to follow to make sure you have an accurate cash balance on your books. You do the work or have someone else do it.

Those are the only two choices you have. The work must be done. It's like mowing the lawn. You can't just ignore it. Someone has to do it. That means either you do it or you have someone else do it.

#### 6. Don't Manage From the Bank Balance.

The bank balance and the cash balance are two different animals. Rarely will the two ever be the same. Don't make the mistake of confusing them.

It's futile (and frustrating) to attempt to manage your cash flow using the bank balance. It's a prescription for failure. You reconcile your bank balance. You don't manage from it.

#### 7. Know What You Expect the Cash Balance to be Six Months From Now.

What do you expect your cash balance to be six months from now? This one question will transform the way you manage your business.

This question really gets to the heart of whether you are managing your business or whether your business is managing you.

## 8. Cash Flow Problems Don't "Just Happen".

You would be shocked and amazed at the number of businesses that fail because the owner did not see a cash flow problem in time to do something about it.

The key is to always be able to answer the question - what do I expect my cash balance to be six months from now?

## 9. You Absolutely, Positively Must Have Cash Flow Projections.

Cash flow projections are the key to making wise and profitable business decisions. They give you the answer to the all-important question from Rule # 7.

It's impossible to run your business properly without them.

## 10. Eliminate Your Cash Flow Worries So You Are Free to Do What You Do Best - Take Care of Customers and Make More Money.

Use these 10 Rules to free yourself from cash flow worries. That way you can focus all your time and talents where you can make the most difference in your business.

No more wasted time worrying about what's going on with your cash flow. Instead, you can focus your unique talents and abilities each day on ways to grow your business and make more and more money each year.

And that's a recipe for success and wealth creation.

Philip Campbell is a CPA, and the author of the book: "NEVER RUN OUT OF CASH, 2 Questions That Will Eliminate Your Cash Flow Worries". Do you have the cash flow of your business under control? Learn more about regaining control of the financial side of your business at <http://www.growandsucceed.com> .

[Get-Articles.com : 1000's of reprintable business and internet marketing-related articles.](#)

[Submit your article for reprint.](#)