

'Cash is King'

That's particularly true in business. Bills don't get paid with promises from those who owe you money.

Cashflow should not be confused with profit. A profitable business with poor cashflow may go broke whilst waiting to get paid. Consider a Builder who has already outlaid significant cash on materials and labour. He could get into serious financial trouble or even go broke waiting for delayed progress claims. Conversely, a small café may be struggling with profitability. A good daily cashflow may help them to continue in the short term by 'robbing Peter to pay Paul'. Doing so may buy out some time to fix the profitability issues and move forward.

Accelerating Cashflow

Boosting cashflow is often not difficult. Below are 8 of my top tips for accelerating cashflow and building profits.

1. Relight the Fire

Many of your customers or clients can be reinvigorated with a great offer. Caution. Like the friend who only calls when they want something, be careful not to hit them purely with a 'pitch' to buy. Have a truly great offer; something valuable, and without the hard sell. If it's been a while since they heard from you, re-introduce yourself. They will likely be glad to hear from you.

2. From Single Touch to Multiple Touch

If you have had successful, profitable email or direct mailing campaigns in the past, then likely a second or third follow up campaign could yield additional profits. Consider why they may not have responded the first time. The campaign may not have reached them at a convenient time. Or perhaps a change in their circumstances means they are now ready to buy. Reminders often bring good results.

3. Provide More Than a Single Reason to Buy

Imagine meeting the person of your dreams and only presenting one reason why they should go out with you! Give your customers and clients more than a 'single reason to buy'. People may walk or click away if faced with only one reason or choice to buy.

E.g.: Consider a golf shop that is promoting the release of a new golf club. Loyal golfing customers may move on simply because they don't need a new club right now. Entice them with additional offers or unrelated specials like free golf lessons or a free bag of golf balls with a new club or 10% off golf clothing or merchandise. It may be just the incentive they need.

4. Upsells

We've all experienced it. The combo meal, the upgrade of small to large drink or fries. It's dangerous to think that upsells are not relevant to your business. With some creative thinking you will likely find multiple ways of upselling your current goods or services.

For example, a lawyer may offer an enduring power of attorney when preparing a will for a discounted fee. A carpet cleaner could include a deodorising service for just a small additional cost. Get creative!

5. Deluxe Models

Whilst like upsells, 'deluxe' models are subtly different. The deluxe version is usually the same product or service, just with some additional features or enhancements for a higher price. There is normally little extra work or cost to the business in adding the enhancements. The benefit is an increase the overall net profit margin of each sale compared to the standard offer.

6. Raising Fees or Prices

People often wait too long and are fearful of reviewing and raising prices. A soft way to introduce raising fees or prices can be to offer existing customers or clients a 'window of opportunity' to buy before they go up. They can sign up for next year at current prices and benefit by 'locking in' prices now. It's also a great way of bringing forward revenue. Create a loyalty program for long-term clients and reward them with a permanent discount. Anytime you raise your prices they will feel rewarded.

7. Use of Stories and Testimonials

Stories and testimonials are powerful. Readers realistically expect testimonials to say you are great. No one has a testimonial highlighting how bad they are! Irrespective, they are evidence of people who are prepared to endorse you. If your competitors aren't using them, you are way ahead. Real-life client stories can be even more powerful as they relate true events and have a ring of authenticity.

8. Combo's

There's strength in numbers. Maximise the impact on your cashflow by connecting a few or even all of these strategies into powerful combinations!

Let's Accelerate Your Business!

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David Le Sueur | Director

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