



Budget Your Cash To Thrive

Every small business owner knows that cash flow is key to survival, especially when the economy slows. But how many of them don't have a documented cash flow budget for the next 12 to 24 months? Too many, I would wager.

Some businesses are looking at the current downturn as an opportunity to grow the business by making investments now that will pay off when the economy turns around. Maybe now is the time to:

- Purchase discounted assets to increase capacity while prices are attractive
- Hire good people that are now available before they are hired by your competition
- Invest in equipment upgrades to increase efficiency or quality

It sounds like a great strategy, but will you have enough cash to make it happen without overextending yourself? Without a cash flow budget, you can't answer that question.

Once you have your initial budget in place, here are some common ways that small businesses maintain adequate cash reserves or improve their cash position. Which of these options are best for your business?

- Review your cost and payment cycles for changes to payment terms
- Lease equipment instead of buying it
- Finance your accounts receivable to avoid payment delays
- Take equity out of the equipment that your business already owns

Micro-Financing for Equipment

Financing for expensive equipment is commonly used to make large capital equipment purchases. But did you know that financing is also available for small equipment purchases from \$1,000 to \$25,000 to help your business conserve its cash? The process of obtaining financing in this price range is much easier than typical equipment financing, and documentation requirements are minimal.

If you are trying to buy a system in that price range and are interested in a financing option to conserve your cash, contact us today.

If you sell equipment in that price range, we can help your customers afford your equipment with a fast and easy financing program.

SBA Loan Opportunities

The U.S. Small Business Administration (SBA) has been working diligently to help improve the credit markets for small businesses. Most SBA programs are structured as a guarantee on a loan that your business gets from a bank, rather than the SBA directly lending money. The SBA has recently increased the percentage of the loan amount that they will guarantee, and have reduced or eliminated certain fees. These changes make a bank more likely to lend to your small business by reducing the risk, and making it more affordable to your business. The documentation requirements for SBA loans are extensive, but it can be worth the effort if your business needs the credit.



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