SCALABLE STEPS TO SUCCESS™ · HANDOUT #2

Cash Flow & Financial Controls

The numbers to watch, a monthly review routine, and early warning signs.

Strategic Steps Consulting, LLC

The Numbers to Watch (Know These Cold)

Number	What it tells you	Check
Cash on hand	How many weeks the business survives if revenue stopped today. Target: 2–3 months of expenses.	Weekly
Accounts receivable (A/R)	Money you've earned but haven't collected. Watch anything over 30 days.	Weekly
Accounts payable (A/P)	What's leaving soon — so payments never surprise you.	Weekly
Gross margin by service	Which offers actually make money after direct costs.	Monthly
Net profit	The scoreboard: what's left after ALL costs, including paying yourself.	Monthly
Budget vs. actual	Where reality is drifting from plan — and why.	Monthly

Your Monthly Money Review (45 Minutes, Same Day Each Month)

	Item	Done / notes
■	Reconcile all bank and credit card accounts — books match reality.	
■	Review P&L vs. last month and vs. budget. Circle anything off by more than 10%.	
■	List every invoice over 30 days old — assign a follow-up action and date to each.	
■	Look 60 days ahead: expected cash in vs. cash out. Flag any projected shortfall NOW.	
■	Review upcoming large payments and renewals — approve or renegotiate.	
■	Check margin on your top 3 services/clients — is any "busy" work losing money?	
■	Decide one money action for the coming month (raise a price, cut a cost, chase A/R, build cushion).	

Financial Controls Every Small Business Needs

1. Separation: business and personal money never mix. **2. Documentation:** every dollar in and out has a record. **3. Approval limits:** a written rule for who can spend what without sign-off. **4. Dual review:** a second set of eyes on large or unusual payments. **5. Access control:** know exactly who can move money, and review it quarterly.

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Early Warning Signs of Cash Trouble

- ! You're consistently invoicing late or "when you get to it."
- ! You're using new sales to cover last month's bills (robbing Peter to pay Paul).
- ! A/R over 30 days keeps growing month over month.
- ! You can't say what your cash position will be 60 days from now.
- ! Tax deadlines are met with scrambling — or borrowing.
- ! You avoid looking at the numbers because you're afraid of what you'll see.

If two or more warning signs are true, make cash flow your Section-B priority on the Self-Assessment — before investing in growth.

Questions? Let's talk about where you're stuck — no pressure, no jargon.

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Schedule your free discovery call — get your roadmap back to growth.

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