



## MAKING CENTS

### GROWING YOUR SMALL BUSINESS

-John P. Napolitano, CFP®, CPA, PFS, MST, RLP®



**T**he time has finally arrived. That small business you started a couple of years back is poised for growth. While you're ready to take the next steps toward expansion, you may not have the extra funds necessary to bring your business to the next level. You need cash, but the idea of borrowing is just not sitting comfortably.

Not to worry: there are a number of measures you can take to help that small business grow without getting deep in debt.

First, take an honest look at your cash flow. Many fledgling business owners want to be a "good guy" and cut customers too much payment slack. Keep on top of those vital receivables. Set up a tighter payment policy if necessary, and keep a watchful eye on accounts that are 30 days or more past due.

You can preserve some of that cash flow by delaying payment to vendors until the end of the payment cycle. You may consider it a badge of honor to pay bills upon receipt, but that's not the best way to make money work for you. And don't be shy about trying to negotiate new payment terms with your vendors.

Take stock of your operation and streamline or augment where necessary. If you can get by with a bookkeeper coming in two days a week instead of three, make the change - but don't

get shortchanged in the long run. Businesses on the growth path require a sound infrastructure. You may be paying a bit more for ace administrative workers, but if their productivity is contributing to your profitability, maybe it's time to increase those three days to five.

Now may be the time to consider raising your prices or increasing fees. If you have the sense that most of your clientele will balk at increases without getting something additional back in return, consider implementing "value added" services that don't require significant time or effort on your part. Interview your best clients and ask them what they like about what you do and what else they'd appreciate you

doing for them.

doing for them.

You may find that forming a marketing or product alliance with firms that sell products similar to yours would work to your advantage. This type of joint effort can not only build awareness of your product lines, but it can also increase your customer base. A marketing alliance lets you partner with another business, thereby instantly expanding your market. A strategic product alliance allows you to offer your partner's products or services to your customers. Both your product line and reach are expanded in one fell swoop, minus the cost of advertising. That's money in the bank.

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