

8 things to do when you can't pay all the bills



Don't have enough funds to pay all the bills? Are you juggling those business figures around trying to make it all work, to no avail?

Financial stress is the worst kind of stress. It's often visceral. I understand, I've been there. Unfortunately, many small business are in financial stress right now.

Here are some things that helped me..

I hope they help you.



1. **Take a breath**, take a break, bring down your stress level. We can't think clearly when we're stressed out. It only takes 1 minute if you find what works for you. For some, it's breathing out for the count of 10. For others, it's listening to some music that slows your heart rate. Perhaps for you it's taking a 5 minute walk?

Whatever it is, you've just gotta do it. Every time you feel overwhelmed or stressed out by those figures.

2. **Look at what's going on.** I remember how confronting it could be to look at how much the deficit was. I remember avoiding it at times then stressing about it at night. But it's usually worse than we imagine. Looking at it, realising the black and white of it, is the start to fixing it. It can be a huge relief. The numbers don't lie.

3. **Don't borrow** if your business is running at a loss and you're not certain that it's going to change soon. Throwing borrowed money at it will only buy you time. But that is not usually the solution. I understand, I've done it. It can be tempting to keep borrowing. But it might give you a bigger problem down the track.



4. **Make a plan.** Get a current weekly average for your revenue (if you have any currently). Use the average to forecast your cash flow and budget. Work out the minimum that you can afford to pay your creditor/s. You can always pay them extra in a good week/ month. But don't over commit. It will only stress you and them out. Large creditors will be happy with small amounts regularly. I remember agreeing to \$20 per month for a credit card company under a hardship arrangement and it worked out fine. It just takes time.



5. **Prioritise the bills.** If you have staff, if they're good and you need to keep them, look after them. Look after your suppliers that help you make money. Prioritise any interest-earning debt. Protect the core business.

6. **Communicate with your creditors** (those people you owe money). Tell them what you can afford to pay, how often for how long. Make an agreement. Then stick to it. You need to honour it. If something goes wrong and you can't make your payment arrangement, then you need to communicate with them. ASAP. Otherwise you'll just create more stress for yourself when they freak out and try to call you. Or worse, threaten you.

7. Limit the time you give to the financial management or debt. Once you've looked at what is really going on, made a plan and communicated with your creditors. It's time to focus on working in or on your business. Making money.

Try to set it up that you only need to look at your business finances once per week. Set up a mail filter so that your inbox isn't flooded with creditor emails which will only stress you out when you're trying to get something else done. And if you've communicated with them and kept your agreements, they shouldn't need to contact you.

8. Get someone you trust to check your figures. It's easy to make a simple mistake in a spreadsheet and end up with incorrect amounts.

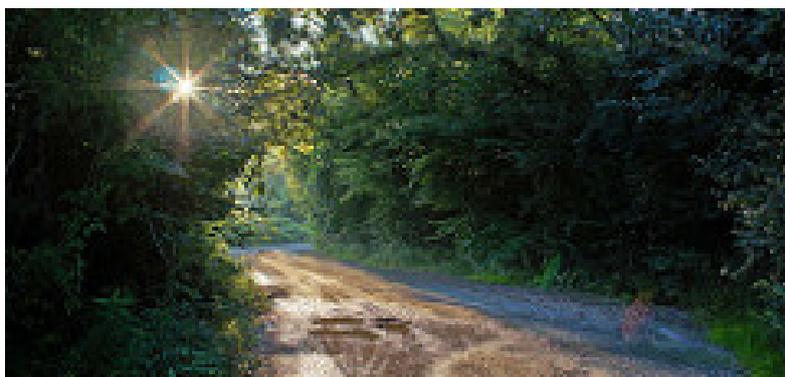
Of course, this is general advice. You'll need specific advice tailored to your unique situation. Some accountants are great at giving advice. But some aren't. They're often not trained financial planners. Many accountants have never ran a small business themselves. So hear their advice. But I suggest you get a second or third opinion.

If you need more advice I offer phone/ video consults for a nominal fee; 15 mins for \$37, 30 mins for \$57 or 60 mins for \$97.

Click here for more info or to book:

<https://growinpractice.com/consult-offer>

Please let me know if my availability showing doesn't suit as I can offer more..





Why I'm offering help this year..

Like you, I don't want to see fellow business owners go under this year. Unlike you (perhaps), I've been to the brink of bankruptcy & back. Why?

In a nutshell: the GFC hit just after my father died suddenly & I was vulnerable. I made some poor decisions. I was advised by a trusted mentor to let someone else run my practice. So I did. 3 years later I was \$320K in debt. This is something I rarely share. I'm not proud of it. But now it seems it may help someone...

Whether you continue to operate during this pandemic or not, you'll have to contend with reduced revenue. I highly recommend that you learn:...

1. How to run cash flow projections well
2. How to negotiate with your landlord (commercial or residential)
3. How to prioritise your bills if/when there's simply not enough to pay them all..
4. How to strip a practice back to the bare essential expenses
5. How to communicate with your creditors
6. Find out if it's wise to get any finance or not to keep afloat.
7. How to navigate the government assistance options
8. And most importantly, get a 2nd and 3rd opinion on all of the above.

Feel free to contact me if you need specific advice. I'm no accountant, but I learned all of the above through necessity. And my business survived, then flourished. I hope yours does too..

Warm wishes, Elaine

Email: elaine@growinpractice.com