

# Managing business cash flow

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Together we'll go far



# Defining cash flow management

## **Managing business cash flow entails:**

- Maximizing the efficiency of moving money in and out of a business, and
- Creating safeguards to ensure that cash flow remains positive.

# The importance of cash flow

- A business may have the best product or service in the market, but it won't matter if it runs out of cash. Cash is what makes businesses run and succeed.
- When it comes to cash flow, there are two mistakes we want to help business owners avoid:
  1. Running a business without having a business plan.
  2. Focusing on only one part of the business's cash flow system – it's important to look at the big picture.

# Four key areas of managing cash flow

- **Make payments** – Enables business owners to better control when money leaves their accounts.
- **Receive payments** – Accepting multiple payment types may help increase sales and leveraging virtual deposit options allows for fast funding into the account.
- **Evaluate credit choices** – Whether used as working capital or to fund capital expenditures, credit can help mitigate disruptions to cash flow by filling in gaps between payments and receivables.
- **Plan proactively** – Prevent disrupting cash flow with options to plan for both known and unforeseen events that arise in running a business.

# Resources

- **Wells Fargo Works *for Small Business* –**  
WellsFargoWorks.com
  - Business Plan Center
  - Business Credit Center
  - Articles and videos on cash flow
- **Your local banker**