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Things That D.U.M.B. Business Owners Think

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If you happen to look at yourself with a critical eye and say: “I Don’t Understand My Business.” Then you are a D.U.M.B. business owner. That doesn’t mean you are unintelligent. It means that there are things happening in your business that you haven’t figured out. Don’t worry, its normal. Most of us were/are D.U.M.B. at some point in our business careers. The great thing is that you don’t have to be. Just learn a few simple concepts and change the way you think. This list comes from my seminars. It is a list of the most common rejections I hear from the participants and they are the easiest to change. They are signs that the business owner gave up.



“ It doesn’t matter what it says in my plan, I know how to run my business. ”

For those owners who actually put their plan on paper, I applaud the practice. There are numerous ways to document your plans: business plan, marketing plan, budgets and forecasting are examples. But thinking that the plan doesn’t match the reality you live in everyday is naive. After all, didn’t you write the plan based on what you know? A good practice is to put your plans in writing and refer back to them on a regular basis.

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“ It’s ALL my money, so who cares what I do with it? ”

True, it’s your money, but blurring the lines between your business and personal purchases is a terrible idea. It not only robs your business of cash it needs to operate, but you have devalued your company as well. No one will trust your financial statements when you have to start explaining why your restaurant in St. Louis needs season tickets to the Las Vegas Raiders games. Your best bet is to play it by the book. Take an appropriate amount of salary or draws, and leave enough money in the business to keep it running smoothly.

“ You have to be lucky to grow quickly. ”

This is totally false. Although it might help out a little. Luck comes from having a great offering for customers. And growth is a planned event. You cannot grow without a plan. This includes a sales plan, an operational plan to handle the growth, and a financing plan to make sure you have enough money to keep up with your operation. Growing takes discipline and work. If you do this, then you might get lucky.

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“ As long as I have money in the bank, I’m not out of business. ”

Simple, straightforward, but not accurate. Having a few bucks in the bank doesn’t mean you are in the clear. In fact, you might have outstanding bills that will zap that cash up in a day. Here is where you need to know your “Days To Bankruptcy” number. It’s really Day Cash On Hand, but it tells you how long your company could survive at its current expense rate, if sales slowed down or stopped. This number will tell you when you might expect to go out of business. Try to have at least 45 days cash on hand at a minimum.

“ I can’t afford to hire a bookkeeper/accountant. ”

Well, then you better be one yourself. The compliance side of things alone is worth the cost. Do you want to file the sales tax returns, withholding returns, income tax returns? Let me answer for you. No. If you are running your business, you need to worry about customers and their satisfaction. Not filling out government required reports. If you are lucky, your bookkeeper/accountant also provides advisory services and finds hidden cash opportunities in your business. They might even find more than you pay them.

“ You can’t sell inventory if you don’t have it, and you can’t have too much. ”

You are half right here. There is a perfect amount of inventory to have. You can under invest and miss out on sales, but more often business owners over invest. They let a salesman tell them that buy buying 2 more cases of product you will save 25%. It sounds great, unless it takes you all year to get rid of it. The money you gave the salesman is sitting on your shelf, not doing you any good. Use the Items On Hand formula to determine the right amount, and don’t get lured into a “once in a lifetime” inventory purchase.

“ I made money, why don't I have any? ”

I'm sure many people have looked at their financial statements and tax returns and wondered if they really made that amount. Chances are you did – on paper, but it didn't hit your bank account. There is a big difference between profit and cash. One makes you feel good but cost you money in income tax. The other one makes you feel awesome and you get to buy stuff. You want the one you can buy things with, cash. Know the timing between profit being reported on your financial statements and cash being deposited in you bank account.

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“ Oh, I've known them for years, they are good for the money. ”

Most of the money I couldn't collect over the years came from people I knew. We had done a lot of business together, but just because I know them, doesn't mean they are going to pay their bill. Trust me, even your best friend will beat you out of an invoice if you let them. Chances are that after 6 months, you will not be paid. It is time to write off the invoice, especially if you already reported the income from the invoice on your tax return.

“The bank doesn’t want to loan businesses any money.”

After 7 years of training bankers on how to work with small business owners, I can say that this is wrong. In fact, it’s the only way they make money, they loan it out. The problem is most business owners do one of two things. They either wait too long to apply and they fall too far into financial trouble. Or they don’t understand what the bank is looking at when they apply for a loan so they wouldn’t meet the qualifications anyway. Banks want to lend on cash flow and there are metrics to assess your business by to see if you’re lendable. Additionally, you should know that there are formulas to help you calculate how much you should ask for in either short term or long-term financing. Get to know your banker, they can point you in the right direction to always get a YES.

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“My business is unique.”

There are no other businesses out there that do what we do. I most commonly hear this when I start to talk about comparing your business to the industry average. You might do things a little differently, but if there are no other businesses out there like yours, then the market probably doesn’t need it. Chances are more likely that you fall into at least one of these company types: retail, wholesale, service, contracting, or manufacturing. If so, you’re only sort of unique, like the rest of us.



My experience with working with 1000's of small business owners over the last 25 years led me to create my signature training program called the Clear Path To Cash. The whole purpose of the program is to change the mind of the D.U.M.B. business owner. Believe it or not, the first one I had to convince was me. D.U.M.B. is a curable condition that can destroy your company if left untreated. So do your business a favor and become a S.T.A.R. (Stop Thinking About Rejection). You can change your situation. It starts by opening your mind.



“What Should I Do Now?”

Sometimes, you don't know what you don't know.

And I am sure there are other idea rejections you may have as a business owner, this is just **my** short list of things I have seen.

Running your own business is HARD and you don't always have all the answers. And I know there are days when you just stand in your office looking at financial statements and are left wondering what they MEAN or what they are TELLING you about your business.

As someone who has worked with 1000's of small business owners and taught bankers how to deal with business owners, I get it.

I too have been a D.U.M.B. business owner and I learned the hard way how to get out.

Not understanding your business is frustrating but I can help you become a S.T.A.R.

Open your mind and stop thinking about rejection, this course will totally change your situation.

The last 25 years taught me many lessons – and I want to pass my knowledge onto you.

I have created the Clear Path to Cash course – 8 lessons on how to maximize cash in any given business situation.



All you have to do....

Is **book a free** call with myself or someone from my team.

During this call we will take a closer look at your business and show you how to overcome some of the most common mistakes that most business owners make. Then we can set you up for success in your business.

But, we only hold spots for business owners and advisors who are committed to taking an honest look at their current operation and willing to work on building a lifestyle friendly business with us.

If you're not ready, it's ok. Just please don't reserve your spot, and leave it for someone who is frustrated with how things are running and ready to make changes now.

Here is how to know if you're ready. If you can answer "Yes!" to both of these questions, then we can both feel confident that you are dedicated to success and ready to make a change.

1. You have a business that sometimes struggles with cash flow. Maybe its you worry about paying bills, or you are worrying about how to manage your growth.
2. You have a coachable attitude about managing by metrics.

If you answered "Yes!" to both questions and you're ready to get started on maximizing cash in your business, click the link below and schedule a free call to talk to the Clear Path To Cash Team.

Clear **PATH** To Cash

LEARN MORE - CLICK HERE

We will show you what you need to be doing right now to assess your company and look for hidden cash opportunities. If we think we can help you increase the speed of cash in your business, so you can build a healthy company, solve your current cashflow issues, and build transferable value, we may tell you more about our Clear Path To Cash coaching program.

LEARN MORE - CLICK HERE

Best Wishes For Success!

Cash FlowMike

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