

## Grow your business by raising your cash potential

Growth has its risks but a well-designed strategy can deliver stability, security and long-term profits.

When it comes to expansion, it's not always necessary to borrow money. You'd be surprised how your own internal resources can be maximized to provide at least some of the cash you'll need.

An important step is assessing the current strengths, weaknesses, opportunities, and threats to your business and how well it's equipped to handle them.

It's essential to list all the costs you'll incur – and compare them with anticipated profits to make sure the move is worthwhile. Think about these strategies to finance your growing company.

### Work with your suppliers

Consider asking your suppliers for financing. Many suppliers are willing to offer a loan if it means a sale – which creates a win-win scenario for you both.

### Improve cash flow

Depending on how your business is structured, there are several ways to increase your cash flow. For example, you could:

- Tighten up your receivables – getting a bit tougher on your collections practice won't damage your customer relationships if you've met your service level agreements.
- Grant less credit to late-paying customers – it's also an incentive to get them to pay on time in the future.
- Offer more instant payment options to customers – people tend to pay more quickly if they're given options. Internet banking is always a popular choice.
- Give generous early-payment terms on invoices.
- Explore all available techniques to get your money in quickly.

### Focus on your best clients

Some customers are slow to pay because they are financially unstable – which can leave you chasing invoices and worrying about getting paid.

Making a sale is different than making a profit. Well-managed companies pay their bills on time and usually create little or no fuss for vendors. So try to focus on reliable customers rather than any prospect that comes along.

### Consult your banker

A business banker will help you to explore all available financing options for your growth plans. Those options may include:

- A term loan.
- A line of credit.

**Want to increase your profits?** Contact Us today through [Our Website](#) or call **09 390 0104**

- A business credit card.

Present your plan to your banker so they can recommend the best solution for your business.

## Explore angel investment

Business angels are private investors taking a minority or majority stake in a business, often contributing money, valuable business experience, advice, and contacts.

Equity finance is money invested in a business that isn't directly repayable. It could be money invested by an angel who expects to be compensated in several years by receiving a much larger payout—up to five times more than the amount they originally invested.

Search online for angel investor groups or network with potential investors at local business events.

## Be realistic

It's important to be realistic and practical when considering your growth plans. Will you have enough money to finance the development without impacting your core activities? Be careful to avoid expansion you can't afford.

Work with a qualified accountant or financial adviser to prepare realistic financial projections for your business – and to explore all financing options available.