



SUCCESSFULLY MANAGING YOUR FINANCES

Presented by Nelson Ramirez

ABOUT ME

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RELATIONSHIP MANAGER



- 10 years of banking experience in both the operations and lending.
- Masters Degree Business Administration and Management – Bangor University
- Chartered Banker – Chartered Banker Institute

MANAGING FINANCES

Managing finances can be a challenge for any small business (SMB). As a small business owner, often, your small business is successful because of the skills you bring in making your product or providing your service.

Imagine that you don't have much experience managing business finances. It can honestly feel like a chore.

Individuals may end up slipping into bad financial habits that could potentially harm the business they worked so hard to build.



MANAGING YOUR FINANCES

Managing your finances properly can stabilize your company and make your business less likely to fail. There are many critical rules in financial health.

Let's take a look at eight (8) helpful ones that play a massive role in the success of any SMB:

- Pay Yourself
- Invest in growth
- Don't be afraid of Loans
- Keep good business credit

- Monitor your books
- Focus on expenditures but also ROI.
- Set up good financial habits
- Plan ahead

PAY YOURSELF

If you're running a small business, it can be easy to try and put everything into day-to-day operations.

You want to ensure that your business and personal finances are in good shape.

Pay yourself, especially at the outset.

You are apart of the business, and you need to compensate yourself as much as you pay others.

If the business fails, you would not have received anything for your efforts.



INVEST IN GROWTH

- In addition to paying yourself, it's essential to set aside money and investigate growth opportunities.
- Proper investment can allow your business to thrive and move in a healthy financial direction.
- Business owners must keep an eye on the future.



INVEST IN GROWTH

- Employees will appreciate you investing in the company and their careers.
- Ultimately, you will create more value for your business than if you were spending all your profits on personal matters.



INVEST IN GROWTH

REMEMBER

- A small business seeking growth and innovation that wishes to attract the best employees [should] demonstrate that they are willing to invest in the future.
- Customers will appreciate the increased level of service.



MONITOR YOUR BOOKS

Monitoring your books is an evident practice and a significant one. Try to set time to review and monitor books, even if working with a bookkeeper.



REMEMBER

- It will allow you to become more familiar with your business's finances.
- It will provide you with a window into potential financial crime.

FOCUS ON EXPENDITURES AND ROI.

Measuring expenditures and return on investment (ROI):

- Can give you a clear picture of what investments make sense.
- Can alert you of what investments may not be worth continuing.



REMEMBER

- As a small business owner, you should be wary of where you spend your money.

FOCUS ON EXPENDITURES AND ROI.

Focus on ROI that comes with analyzing each expenditure.

REMEMBER

- Not doing this means that you can lose money on irrelevant or bad spending bets.
- Make a conscious decision to know where you are spending your hard-earned dollars and how that investment is paying off.
 - If your current strategy is not paying off, cut back on questionable items and spend a bit more on the initiatives that work for you and your business.

DEVELOP GOOD FINANCIAL HABITS

Set financial goals that are meaningful

- When forming goals, it's important to make them “S.M.A.R.T” goals:
 - specific,
 - measurable
 - achievable
 - relevant
 - time-bound

Don't make big decisions quickly, they might be costly.

Take the time to weigh options carefully.



DEVELOP GOOD FINANCIAL HABITS

Establish internal financial protocols:

- Helps protect the financial health of your business.
- Can be as simple as dedicating set time to review and update financial information.

Keep up with your finances:

- Can help you mitigate fraud or risk.

PLAN AHEAD

Have a good plan when it comes to your finances:

- Helps to manage your money and gives your business a clear direction.
- Maps out how you will allocate funds in order to achieve your financial goals.
- You become more knowledgeable and are more in control of your income, expenses and investments.

REMEMBER

- If you're not looking five to 10 years ahead, you are behind the competition.



DON'T BE AFRAID OF LOANS

Loans can be scary. They can lead to worrying about the financial repercussions that accompany failure.

However, without the influx of capital and flexibility a loan may offer, you may face substantial challenges when making a purchasing decision or growing your team.

You can also use loan proceeds to boost your cash flow and thus face fewer issues paying employees and suppliers on time.



KEEP GOOD BUSINESS CREDIT

As your small business grows, you may want to purchase more commercial real estate, acquire additional insurance policies and take out more loans to facilitate all these pursuits.

To keep good credit:

- Pay off all your debt funding as soon as possible.
 - FOR EXAMPLE, don't let your business credit cards run a balance for more than a few weeks.



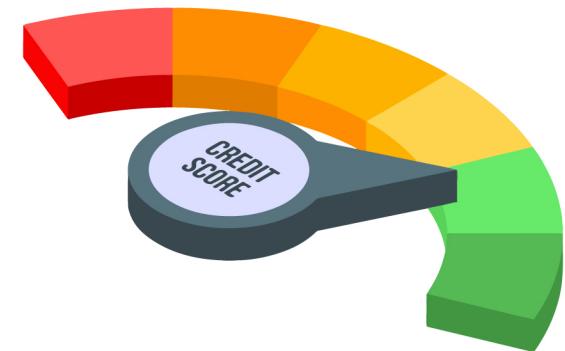
KEEP GOOD BUSINESS CREDIT

- Likewise, don't take out loans with interest rates that you can't afford.
- Only seek funding that you can quickly and easily repay.

REMEMBER

Poor business credit:

- Can prevent you from starting a business.
- Can get in the way of obtaining approval for growth transactions and can make acquisitions more difficult.
- Often causes issues with vendors.

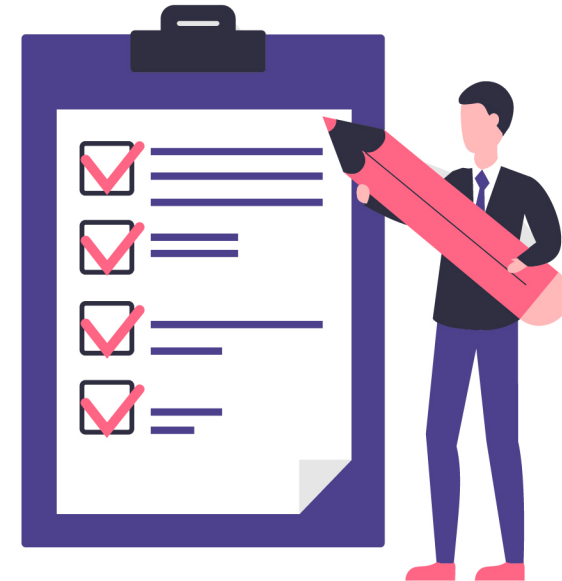


SUMMARY

Position yourself positively to best manage your small business finances.

REMEMBER

- Manage your finances properly.
- Pay yourself a salary.
- Plan and invest in growth.
- Pay off the debt on time.
- Focus on your return on investment.



QUESTIONS?