

EPISODE 199

MASTERING CASHFLOW MANAGEMENT

SYSB PODCAST WITH
DAVID SAFEER



In this episode of the "Scale Your Small Business" podcast, host Jillian Flodstrom interviews David Safeer, a leading expert in cashflow optimization. David is the founder of David Safeer International, an education and advisory company that helps small businesses optimize their cashflow and improve profits.

David shares his background in general management positions and highlights the lack of emphasis on cashflow in large corporations. He began consulting in 2018 and realized that many businesses faced cashflow problems regardless of their size or industry. Frustrated with generic advice on improving cashflow, he started developing his own strategies and tactics, eventually compiling over 200 different approaches to managing and improving cashflow.

One common mistake David addresses is the misconception that profits equate to cash availability. He explains that while a business may be profitable, it can still experience cashflow issues due to accrual-based accounting and other factors. He emphasizes the importance of understanding the difference between profits and cashflow to avoid mismanagement.

Another challenge David highlights is the use of complex vocabulary and terminology in financial discussions, which often leaves business owners feeling overwhelmed and confused. To address this, he and his wife, Lisa, edit and rewrite their content until it is easily understandable to the average person.

When discussing how businesses can improve their cashflow, David emphasizes the need to shift focus from looking backward to projecting future cashflow. He recommends creating cashflow models that translate past data into future predictions. He also advises conducting weekly or even daily cashflow analysis to have a more accurate and timely understanding of cash inflows and outflows.

David suggests having multiple bank accounts to manage cash effectively. He recommends at least two accounts—one for accumulating cash for expenses like taxes or insurance and another for day-to-day transactions. He also discusses the importance of incorporating technology into cashflow management. He suggests using a business bank account that allows limited access for other individuals like bookkeepers or accountants, with customizable permissions and approval processes.

The conversation concludes with Jillian expressing appreciation for David's practical and straightforward approach, which makes cashflow management less daunting for business owners.

Overall, this podcast episode provides valuable insights and actionable advice for entrepreneurs and small business owners looking to optimize their cashflow and improve profitability. David Safeer's expertise and experience in cashflow optimization offer practical strategies to overcome common challenges and achieve financial success.

WHERE TO FIND DAVID SAFEER:

WEBSITE: DAVIDSAFEER.COM

TWITTER: [@DAVID_SAFEER](https://twitter.com/DAVID_SAFEER)

INSTAGRAM: [@CASHISCLEAR](https://www.instagram.com/CASHISCLEAR)

YOUTUBE: [@DAVIDSAFEER](https://www.youtube.com/channel/UCDAVIDSAFEER)

LINKEDIN: [LINKEDIN.COM/IN/DSAFEER/](https://www.linkedin.com/in/dsafeer/)

KEY TAKEAWAYS



- ✓ Most businesses go out of business within five years, and a staggering 80% of them report cashflow issues. **Profit does not equate to cash availability.**
- ✓ One of the common mistakes business owners make is confusing profits with cash. **You can have a profitable business but still struggle with cashflow.**
- ✓ We need to stop looking backwards and **start projecting what's going to happen in the future.** Cashflow modeling is essential to understand what cash will come into and out of your business over time.
- ✓ **Weekly cashflow analysis is crucial.** Knowing how much cash is coming in and going out on a weekly basis allows for better control and planning.
- ✓ **Having multiple bank accounts can be beneficial for managing cashflow.** Accumulation accounts, known expenses accounts, and specialized accounts like a 'Vault account' can help organize and allocate funds effectively.