

# The **7** Deadly Cash Flow Sins (and how you can avoid them)

## Special Report

By: Philip Campbell, CPA  
<http://www.neverrunoutofcash.com>

# It's Time to Take Control of Your Cash Flow

Thank you very much for requesting this Special Report - The 7 Deadly Cash Flow Sins (and how you can avoid them).

**I am providing this information to you **FREE** of charge and with no obligation on your part.**

Why? In order to introduce you to the biggest mistakes I have seen business owners make with their cash flow.

If you pay special attention to each of these deadly cash flow sins, and what you can do to avoid them, you will help ensure your business achieves the financial success you have worked so hard to create.

Use the tips and strategies in this Special Report to put your business back on the path to success. Take advantage of the lessons so many other business owners have learned the hard way.

It's time to regain control of your cash flow.

You will be so glad you did.

To your success,



**Philip Campbell, CPA**

**Email: [pcampbell@growandsucceed.com](mailto:pcampbell@growandsucceed.com)**

**Web: [www.neverrunoutofcash.com](http://www.neverrunoutofcash.com)**

# The 7 Deadly Cash Flow Sins

(and how you can avoid them)

---

---

## Cash Flow Sin # 1

---

---

### **Ignoring the Simple Reality of Business**

One of the cold, hard realities of business is that if you ever run out of cash, your business is finished. All your hard work goes down the drain. Your dreams and desires for creating an exciting and profitable business come crashing down.

Running out of cash is the definition of failure in business.

Even if making money is not your highest priority, you still have to make sure you know exactly what's going on with your cash flow.

It's too critical to be left to chance.

### ***How You Can Avoid This Mistake***

The measure of your success in business will be determined by how much cash you create and how much of that cash you hang on to.

Make sure that one of your highest priorities is to always know exactly what's going on with your cash flow. That way you are managing your cash flow with the care and attention it deserves.

It's very unforgiving if you don't.

---

---

## Cash Flow Sin # 2

---

---

### **Attempting To Run Your Business Without Cash Flow Projections**

Trying to run a successful business without cash flow projections is like driving along on the freeway in a driving rainstorm without turning on your windshield wipers.

You can't see the cars in front of you - or behind you. You slow down to a crawl. You're just hoping and praying the rain stops before you end up in a terrible accident.

This approach to managing a business will sooner or later lead to failure.

It's absolutely, positively impossible to run a successful business without cash flow projections.

#### ***How You Can Avoid This Mistake***

Your cash flow projections provide you the visibility you need to make more profitable business decisions. Make a commitment to yourself now to regain control of your cash flow by creating and maintaining monthly cash flow projections.

Cash flow projections make it possible to avoid problems and create the financial success you deserve.

And creating cash flow projections does not have to be a difficult process.

It's really a matter of using a few basic principles together with your intuition and knowledge about your business.

In [\*\*Never Run Out of Cash\*\*](#), I provide an easy-to-understand, step-by-step guide to creating the **Peace of Mind schedule**.

The Peace of Mind schedule is a unique and simple tool for seeing exactly what's going on with your cash flow - and it's only two pages in length. You can see your actual cash flows by month next to your projected cash flows by month.

It is a tool that is easy to prepare, easy to understand, and easy to maintain. It makes creating cash flow projections a snap.

You will be surprised at how this simple tool will transform the way you manage your business.

(Note: You can download the Excel spreadsheet version of the Peace of Mind schedule – **FREE** with your purchase of **Never Run Out of Cash**. This will save you the time and effort of creating the schedule from scratch. [Get your copy of the Book NOW](#) for ONLY \$16.95.)

[Click here](#) to learn how the Peace of Mind schedule was born and how it helped my partners and me create a \$3,500,000 profit.

---

---

## Cash Flow Sin # 3

---

---

### **Thinking Profits Equal Cash Flow**

Most business owners make the mistake of thinking that all they have to do to properly manage the financial side of their business is determine whether they are making a profit or not.

Not true!

We have all been taught that financial statements show us the complete view of the financial side of our business.

Well, the truth is they don't.

The accounting rules that govern the creation of financial statements are not about tracking the actual flow of cash through your business. They are focused on measuring profit or loss - not cash flow.

That's why a profit in your financial statements does not necessarily mean you created any cash. By the same token, a loss in your financial statements does not necessarily mean you lost any cash.

If you have no other tool for understanding and managing the cash flow of your business other than your basic financial statements, you will always feel out of control. You will be flirting with disaster because you will be neglecting the lifeblood of your business - your CASH.

### ***How You Can Avoid This Mistake***

The secret to managing the financial side of your business properly is to become intimately familiar with your cash flow.

This requires you to understand your financial results in the context of your beginning cash balance for the month and your ending cash flow for the month.

Make sure you have a schedule each month that shows clearly what happened to your cash balance. And remember, the financial statements by themselves do a very poor job of helping you take control of your cash flow.

---

---

## Cash Flow Sin #4

---

---

### **Spending Money Because Your Cash Balance Looks Good**

Almost every business will have a month or a portion of the year where their cash balances are generally the highest (the peak cash month). They will also have a particular month or period during the year where their cash balance will be at its lowest levels during the year (the trough cash month).

An extreme example would be a store that sells Christmas ornaments and decorations. Sales would be very slow during the summer and very high in the months leading up to Christmas. As a result, their cash balances would be highest during the peak selling season and the lowest during the summer.

This is where many business owners make a big mistake with their cash flow. When they are in their peak cash month, they feel really good about their cash flow because they have a nice cash balance.

Then they make decisions that use or commit that money not realizing that they are using cash they will need in order to get them through the trough month.

The result is a “cash flow problem” when the inevitable trough month arrives and there is not enough cash to get through that period.

### ***How You Can Avoid This Mistake***

Create a schedule that shows your cash flow each month so you know when your peak and trough cash balances have occurred in the past. Then create a cash flow projection that shows what your peak and trough months are expected to be for the coming year.

From this day forward, consider every financial decision you make based on the effect it will have on your trough month cash balance. Whether the financial decision is being made in January or October, the decision still must be made based its impact on the month where you will experience your lowest cash balance of the year.

This one action alone will go a long way to preventing cash flow problems from ever happening in your business.

---

---

## **Cash Flow Sin # 5**

---

---

### **Thinking A Sale is A Sale to Early**

Business owners are often surprised to see that the cash they collect is not always consistent with their sales. This is a huge wake-up call.

Making a sale is very important. But collecting the money for the sale is even more important.

It does not do any good to sell a product if you don't collect your money.

In fact, you can ruin a business real fast if you neglect the all-important step of making sure you are collecting the money for what you sell.



I worked with a small business owner who had recently sold about \$18,000 of merchandise to two different commercial accounts. He was feeling really good about the sales and about finally breaking into this untapped market.

And his income statement looked really good in the month he made the sales. In fact, it showed he had the best month in the store's history.

What he had not realized until now was that these sales were actually hurting his cash flow.

Not only had he never collected the \$18,000, he had already paid for the inventory he sold them.

To make matters worse, this uncollected sale was happening at a time of the year when he could least afford to be without the cash. The sale looked good in the income statement, but not so good in his cash flow.

### ***How You Can Avoid This Mistake***

Recognize that a sale is not complete until you have collected your money for the sale. Make sure you have a very disciplined process in place to make sure you get paid.

You must make sure that everyone in your company knows that collecting from customers is all-important.

One very effective way to do this is to make commissions payable to your sales people only after the cash has been collected. This will focus their attention real fast on the importance of getting paid timely.

---

---

## Cash Flow Sin #6

---

---

### **Thinking It Is Smart To Stretch Payments To Vendors**

Many business owners believe they are being smart with their money by delaying vendor payments as long as possible. In fact, many financial professionals teach this strategy as an effective “cash management” technique.

Wrong!

It’s a terrible strategy. It will damage your reputation with vendors and make you look weak.

It also hurts your ability to compete against larger companies. Most larger companies stretch vendors payments as long as possible with the excuse that “corporate pays the bills, it’s just their policy to pay late.”

This is a huge opportunity for smaller businesses to create better vendor relationships and better vending prices. When you show that you care enough to pay timely, you can win huge concessions and favorable terms and steal business away from your largest competitors.

#### ***How You Can Avoid This Mistake***

Pay your bills on or *before* the date they are due.

Don’t buy into the belief that you are being smart with your money by delaying payment until after the due date.

Develop a reputation with your vendors for paying them promptly. The outstanding reputation you develop with your vendors is worth ten times more than any interest you may earn by paying your bills late.

If you are ever in the position where you have no choice but to delay the payment to a vendor, call them and address the problem with them directly. Let them know the problem you are having and the specific date that you will be able to pay them.

Don't just ignore them or try to avoid the problem by waiting until they call you. This will go a long way to giving you the time you need to get your cash flow under control.

---

---

## Cash Flow Sin # 7

---

---

### **Thinking Only Struggling Companies Have Cash Flow Problems**

Oftentimes the companies that have the biggest cash flow problems are those companies that are growing rapidly. The reason is simple: Companies that are growing must be constantly adding people, developing new markets, making new investment in facilities, etc.

All these activities require that an investment be made upfront in order to be able to service more customers and sell more of their products or services.

And that investment requires either an outlay of cash or the incurrence of debt. A cash investment has an immediate impact on your cash balance. Debt also impacts your cash balance, but over a period of time as you payback the principal you borrowed plus the interest associated with that debt.

It's the ultimate payback of that debt that often sinks companies. They incur more debt than they can afford to pay back.

### ***How You Can Avoid This Mistake***

To avoid this mistake, you must have cash flow projections that show you what your cash needs will be each month as you grow your company. And when you do incur debt, your projections give you the valuable information you need to make sure you can actually pay the money back that you borrow.

Bankers and other lenders are 100% focused on you paying them back the cash they loaned you. You have to be extremely confident your business will produce the cash required to service your loans or you will end up losing your business to your lenders.

Lenders will move very quick to seize their collateral (your assets) if they believe you are going under.

# About The Author



**Philip Campbell, CPA**  
Houston, Texas

## How to contact Philip:

22211 Buescher Rd. • Tomball, TX 77377  
Phone 713 962 1646 • Fax 713 559 8356  
e-mail [pcampbell@pdq.net](mailto:pcampbell@pdq.net)

Philip Campbell is a CPA and the author of the book “[Never Run Out of Cash](#), The 10 Cash Flow Rules You Can’t Afford to Ignore”. Philip is devoted to helping business owners take control of their business – and their cash flow.

He began his career in business in 1983 in public accounting. He became a CPA in 1986. Philip spent over six years working with both small and large clients in the areas of accounting, audit, financial statement preparation and analysis as well as federal and state income tax consultation and return preparation.

Since leaving public accounting, Philip has served in Officer level financial positions and has been a shareholder of each of the company’s he has been a part of.

What really sets Philip apart from the average financial person you meet is his passion and excitement about helping business owners take control of

their cash flow. Early on in his business career he focused and “preached” so much about the importance of cash flow that people now call him **CASH**.

Philip is one of those rare individuals who is skilled in the numbers side of business but who also understands and loves all the different aspects of growing a successful business.

Philip has helped hundreds of business owners take control of their cash flow. In his book [Never Run Out of Cash](#), he shows you the step-by-step process for eliminating your cash flow worries and taking control of the cash flow of your business.

Philip provides consulting services to businesses of all sizes to help them take control of their cash flow. Below is a brief summary of the services and benefits Philip can provide for you.

---

---

## CONSULTING SERVICES AND BENEFITS

---

---

### Summary of services and benefits I can deliver for you:

- Help you **take control** of your cash flow.
- Implement a tool that provides a crystal clear view into the **true cash flow** of your business. I use a **unique and extremely powerful** 2-page schedule that shows you exactly what’s going on with your cash flow. This schedule provides the kind of **insight and understanding** the traditional cash flow statement can’t.
- Create earnings and **cash flow projections you can trust**.
- Provide insight into what’s going on “behind the numbers”. This is the key to effective, confident, and **profitable decision making**.
- Identify areas where **cash is being “trapped”** on your balance sheet. Then identify strategies to turn those assets back into cash.
- Identify ways to **reduce costs** in order to **create more cash**.
- Develop and implement strategies for **restructuring debt successfully** when the cooperation of a lender is required to solve a cash flow problem.

---

---

## DEPTH OF PROFESSIONAL EXPERIENCE

---

---

**Ten years as the CFO of a franchise company** and **twenty years** of finance, senior management, and accounting experience including six years in public accounting, start-up operations, an IPO on the NYSE, involvement in 28 acquisitions, sale of 2 companies, integration of acquisitions, implementation of new accounting systems, experience in both small and large organizations and experience in rapid growth environments.

My specific focus in my consulting practice is on helping business owners take control of the cash flow of your business. I can help you see what's really going on with your cash flow.

It's amazing how much easier it is to manage and grow your company when you discover the secret to taking control of your cash flow.

---

---

## PROFESSIONAL EXPERIENCE AND RESULTS

---

---

**Franchise Concepts, Inc.**, Houston, Texas  
2001 to 2004  
1990 to 1997

The company is a franchisor of three of the largest chains of art and framing retail stores in the U.S. and Canada – Deck The Walls, The Great Frame Up and the Framing and Art Centre. The company has **320 stores** with combined sales of **over \$90 million**.

**Senior Vice President, Chief Financial Officer (and shareholder) -**  
Experience includes:

- Worked closely with my partners and the Board of Directors to complete the sale of the company at 15.9 times prior year EBITDA.
- Identified three cost reduction strategies in the first thirty days of re-joining the company that increased pre-tax income by \$2.5 million and reduced debt by 38% in the first twelve months.

- Implemented a process in the first sixty days to take control of the cash flow of the company and to provide cash flow projections for management, lenders, and shareholders they could trust.
- Created and implemented a tool for managing and monitoring the franchise development pipeline. This tool significantly reduced the amount of senior management time previously devoted to managing and understanding this critical process.
- Actively managed the accounting, finance, human resource, information systems and administration aspects of the company and its subsidiaries to reduce costs and simplify processes. This included all aspects of adherence to franchise laws, legal actions, collections, and routine legal administration.
- Reduced the administrative staffing by 25% while improving turnaround times and service levels.
- Led the acquisition of the company's first international franchise. Responsibilities included identification of a suitable target, initial meetings and negotiations, due diligence, coordination of documentation and legal requirements, and closing.
- Developed close relationships with the various shareholder groups, lenders and investors. Made sure each party was getting the information they needed.
- Served on the senior officer team that set the direction of the company.

**Fleetwood Retail Corp., Houston, Texas**  
1997 to 2001

The company (FRC) is a retailer of manufactured homes in twenty-six states and is a wholly owned subsidiary of Fleetwood Enterprises, Inc., a New York Stock Exchange company. FRC acquired HomeUSA, Inc. in August 1998. HomeUSA was a retailer of manufactured homes with sixty-five retail centers in twelve states. HomeUSA was formed by the merger of nine companies simultaneous with an IPO on the NYSE in November 1997. Notre Capital Ventures sponsored the transaction. I was part of the management team assembled in July 1997 prior to the time the Letters of Intent were signed by the Founding Companies. We subsequently grew by completing twenty-eight additional acquisitions and building ninety new stores.

**Vice President, Controller (and shareholder)** – Experience includes:



- Served on the Executive Committee with overall responsibility for the accounting function of 240 retail store income statements and balance sheets. Total revenues of \$600 million and total assets of \$450 million.
- Integrated the accounting functions of twenty-eight acquisitions during an eighteen-month period. Each acquired company maintained an accounting center to account for their retail stores prior to being acquired.
- Led the creation of a shared accounting center in Houston and reduced the number of accounting centers by sixteen while the number of retail stores grew by 300% (through acquisitions and building new stores).
- Led the strategy to implement a common accounting system throughout FRC and reduced the number of different accounting systems by twelve.
- Developed and implemented standardized accounting policies and procedures to create consistent and comparable financial statements across all subsidiaries.
- Participated in all aspects of the HomeUSA accounting and financial work required to complete the merger of the nine founding companies and the Initial Public Offering (IPO) on the New York Stock Exchange. Managed the audit process, the preparation of the prospectus and Form S-1, ran the model used by the investment bankers, and participated in the discussions and analysis with the analysts who covered the company.
- Responsible for the accounting and financial reporting function including all SEC reporting while HomeUSA was a public company.
- Provided due diligence support for the HomeUSA acquisitions team.

**Arthur Andersen & Co., Houston, Texas**  
1986 to 1989

**Audit Manager** - Experience includes:

- Planning, supervising and completing audits of public and private companies, including consultation with clients on significant accounting and business issues.
- SEC reporting and regulations including an initial public offering.
- Merger and acquisition purchase accounting issues.

**Funchess, Mills & White CPAs**, Beaumont, Texas  
1983 to 1986

**Staff Accountant** - Experience includes:

- Audit, review and compilation of financial statements as well as corporate, partnership and individual income tax consultation and return preparation.
- Consultation with clients regarding strategies to help them make more money.
- Preparation of financial models and review of growth opportunities.

---

---

**EDUCATION AND PERSONAL**

---

---

**EDUCATION:** Lamar University, Beaumont, Texas  
1979 - 1983  
BBA in Accounting  
GPA: Major 3.4 / 4.0

**PERSONAL:** Married for 17 years with two children, one in College and one in High School.

My favorite past time is studying business and increasing my ability to add value to an organization. I enjoy reading about business, listening to audio programs, and studying what other people are doing to add value and make their businesses worth more money.

## Need Help Getting Started?

In building my consulting practice, I am only planning to sign up a relatively small number of business owners.

This will allow me to provide a much higher level of care and attention than if I were to take on every business owner that needs my services.

So please **call me at 713 962 1646** and share with me your specific problems and challenges. We can then determine if I am the right person to help you eliminate your cash flow worries.

You can also [send me an email](#) with your questions or concerns about your cash flow.

**Or**

- ▶ [Click Here](#) to learn how you can have Philip set up your Peace of Mind schedule for you.
- ▶ [Click Here](#) to buy the book for **ONLY** \$16.95 and learn the step-by-step, proven process for eliminating your cash flow worries and taking control of your business. (I have included some information about the book on the next page for you.)

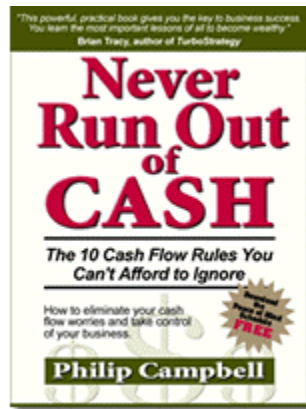
**Or**

**Do nothing!** (this is the option that will cost you the most).

# Never Run Out of Cash

## The 10 Cash Flow Rules You Can't Afford to Ignore

By: Philip Campbell



"This powerful, practical book gives you the key to business success. You learn the most important lessons of all to become wealthy."

**Brian Tracy**  
Author, TurboStrategy

Never Run Out of Cash shows you the step-by-step **proven process** for taking control of your cash flow... and your business.

Here are just a few of the **new skills and insights you will learn:**

- ✓ **Learn the 10 Cash Flow Rules you can't afford to ignore.**
- ✓ **Dramatically improve your ability to make prudent and profitable business decisions.**
- ✓ **Discover the common barriers to taking control of your cash balance - and how you can break through those barriers with ease.**
- ✓ **Experience the Peace of Mind of knowing what you expect your cash balance to be six months from now.**
- ✓ **Learn the Two Critical Cash Flow questions and the almost magical way they will simplify your life.**
- ✓ **Discover how the Peace of Mind schedule fills the enormous gap that the standard financial statements create.**
- ✓ **Learn to recognize and understand the cash flow "timing differences" in your business.**
- ✓ **Use the "Smell Test" and the "90% Test" to create an amazingly accurate estimate of what your cash balance will be six months from now.**
- ✓ **Avoid falling into the trap of worrying about your money.**

**Purchase Online With Your Credit Card Through A Secure Server**

**Click Here NOW to download *your* copy!**  
(and get the brand new soft cover edition **FREE** at the end of July)

**ONLY \$16.95**

**100% Risk Free Guarantee.**

Or

**Learn More about Never Run Out of Cash**

# Look What Business Owners Just Like You Are Saying

“This is a revolutionary money-management book.

Throw out all the other complicated methods of handling projections and financial strategizing – use Philip’s Peace of Mind schedule to get just that – Peace of Mind about your cash flow!”

**Dr. Joe Vitale**  
Best-selling author of “Spiritual Marketing”  
and numerous other works.  
[www.mrfire.com](http://www.mrfire.com)

"This powerful, practical book gives you **the key to business success**. You learn the most important lessons of all to **become wealthy**."

**Brian Tracy**  
Author, "TurboStrategy"  
[www.briantracy.com](http://www.briantracy.com)

"Small business lives and dies by one word, **Cash-Flow!** Many a business owner has seen the finish line of success, only to get blown out of the race by lack of cash... the "gasoline" of everyday business operations.

Philip Campbell's book shows you not only how to manage the dollars and cents of cash-flow, but also how to manage your attitude and beliefs about it.... **something I've never seen anywhere else.** If you want to learn how to finally solve your cash-flow problems - **get this book now!"**

**Jim Edwards**

**Author, "Immediate Money Immediately"**

[www.ImmediateMoney.com](http://www.ImmediateMoney.com)

"Philip,

I cannot say thank you enough.

The information in your eBook is absolutely critical to running any successful business. Without a doubt, failure is certain without the knowledge that you provide. I know, I've been there one too many times!

I owe you a great deal, because I now know how to permanently avoid that "how did I get here, again?" experience of not having enough cash to continue.

Thank you, thank you, thank you!"

**Anisa Aven, Owner**

**Creatavision Enterprises**

[www.creatavision.com](http://www.creatavision.com)



"This book is GREAT!

Without a degree in accounting, I needed something like Philip's Peace of Mind schedule to keep me focused on the most important aspect of my business - CASH.

It's easy to understand and apply - just what I needed!!"

**Sylvia Barnes, Owner  
Leap of Faith Enterprises**

"Never Run Out of Cash is a must-read and must-use for business owners, operators, and accountants. As a former CFO and a business owner, I know how few people really understand how to project and manage cash.

Philip gets it. And he explains it in a way you can use.

You will learn the important questions. More importantly, you will learn how to answer them so that YOU never run out of cash."

**Steve Koinis  
Business Owner**

"Philip,

Absolutely awesome!

Your straightforward advice really struck a chord with me. I have used a similar, albeit incomplete schedule to forecast cash flow for quite some time now. However, your Peace of Mind schedule helped bring into focus some of the areas in my forecasting that needed refining for a more accurate picture.

I think I knew this all along. But there was something about the way you presented it that finally made me do it. I did it immediately after reading the book. Rules # 7 and # 9 are absolutely critical for all business owners and financial managers to live by in order to prosper in business and be able to sleep at night.

Now I'm completely in the drivers seat. My business is so much easier to manage now."

**David Segers, Chief Financial Officer  
William Cole, Inc.**

[Purchase Online](#) With Your Credit Card Through A Secure Server

[Click Here NOW to download \*your\* copy!](#)

(and get the brand new soft cover edition **FREE** at the end of July)

**ONLY \$16.95**

**100% Risk Free Guarantee.**

Or

[Learn More about Never Run Out of Cash](#)