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## Invoicing and Cash Flow

Entrepreneurs and small business owners – when do you typically send out your invoices? The first of the month? The tenth of the month? How about the fifteenth of the month? Or do you just do it whenever you get around to it?

If you “fell into” a certain method of invoicing when you first started your company, you may be surprised to learn that making a deliberate, pragmatic change today could affect your whole business model and cash flow for the better. But to use invoicing to your advantage, you’ll first have to examine how your cash is currently “flowing”.

Fortunately, the process of evaluating your invoicing is fairly straightforward, especially if you have help from your CFO. Depending upon when you have to pay your own bills, you can make certain that you always have the money you need when you need it.

For instance, if the majority of your bills are due on the first few days of the month, you will want to structure your invoices so that you receive what you’re owed before the first. (Be sure to build in the time it will take for you to receive and cash checks from clients.) That way, you’ll never bounce or “float” checks nor will you have to move money from personal accounts just to make your payroll.

In addition to structuring when to send your invoices to maximize your cash flow, you should also have a standard invoicing method that includes penalties and/or late fees. Doing so can really take your company to the next level in terms of how your customers relate to you (as long as you enforce the collection of said fees.) After all, if you take yourself and your organization seriously, so will everyone else.

It's up to you – are you ready to move to the next level of professionalism? Then start with those invoices.