



Creating Cash Flow Is Easier Than You Think



First time entrepreneurs are entering the marketplace wondering how to finance their business. Perhaps all you've known is receiving that regular paycheck from years of working for someone else yet are feeling challenged with how to generate regular income in your own business so you can support your family. Within a year, you want to give up on your entrepreneurial dreams and look for any job that provides regular income often in a much more desperate situation.

Existing business owners experience similar challenges. As a small business owner, you wear multiple hats in your business. This means that you often focus on all of the day-to-day tasks of running a business and overlook the few things in your business that actually bring in clients and cash flow. In an era where we have technology, that technology can be the greatest benefit or the biggest inhibitor as the volume of information distracts you from keeping your focus.

So you might be thinking you're consistently marketing, but is your business model set up the right way to have your clients engage with you while generating consistent income?

When I first started my business, I had wondered how to generate income but only thought I could generate it through submitting proposals. I made the mistake most consultants and other solopreneurs make by offering high priced options that bring in a lot of cash all at once. What I set up was a business model that many entrepreneurs develop when they get started that included what I call the "yes OR no-and-go" option. It really wasn't an option at all. It was yes, I'll work with you OR no I won't and they go...away.

Today's marketplace is about client choices. Here's the reality of it all. Many new and existing entrepreneurs end up developing this Yes OR No-and-Go option only to realize they don't generate enough regular income. Then, they gravitate toward finding a regular job because they have not created a business model that is sustainable, especially for today's marketplace where the customer is being more careful about where they spend their dollars.

The limit to a Yes OR No-and-Go option is that it requires you to do the work and offers no choices for your client. As the saying goes, "no margin - no mission." There will always be a limit to what you can earn with that model alone because it doesn't provide choices, requires your active participation, and has no leverage.

If you want to create a sustainable business, the earlier you start thinking about how to shift your business model to create more **passive, leveraged** and **recurring** income, the more likely you will be in business a year from now.

Passive income is income received on a regular basis requiring little effort on your part to maintain it. Examples might include royalties on an invention or licensing a patent. Developing intellectual property is also a way to create passive income.

Leveraged income includes income from activities that deliver value to a large group of people at the same time. An example might be someone who offers their services through a conference where you are working with many individuals one time. Your earning potential is higher by the sheer volume of individuals in attendance who are usually paying a fee. Adding this option to your model creates another choice for the client to work with you.

Recurring income is income that may entail personal interaction and requires your time and effort, but it provides the regular cash flow to you while providing choices to your clients. It may include a monthly retainer



or development of a continuity program where an individual receives continuous services or information at regular intervals.

Consider how to apply these strategies to your business. What product can you create that your clients are asking for that will sell over and over? What is the range of services or products you offer that provide choices to your clients to engage with you? How can you create leveraged income by working with others? How could your leveraged activities also generate passive income?

Small changes now in your business model can create cash flow earlier than you think. Cash flow creates more choices for you and your clients. Think about how to create various revenue streams by redesigning your business model. In a short period of time, you could be engaging more clients, with less effort, on purpose.

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