

**Editor's Note**

Hiring for a start-up is very different than for a larger business. Today, we explain the key qualities you need to look out for.



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How do I beat the post-Christmas cashflow crunch?

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What should I be doing to avoid a cashflow crunch in January? I've got a feeling that business will be slow after Christmas.

Christmas time for most businesses, unless you are selling toys or presents, is the worst time to be in business. Our employees go off on a lovely three-week vacation – paid for by us – while bosses get to work out how we are going to pay wages and balance forward into January.

Cashflow over the Christmas and New Year period is where every business feels the pinch. With the majority of business closing down for a two to three week period, it is forward thinking and planning businesses that survive.

We are all aware January will be quiet and the only way to plan around this is to look forward with both income and expenses. Having a cashflow projection that has comparisons to last year can be a great start.

Looking back can always help us look forward. If this is your first year, look to others in your industry to see what your competition have done or seek advice from your accountant early.

Focus on your expenses when you know sales are going to slow. If sales have fallen, you need to cut costs by double, to make up for the drop in sales. However, some businesses find it hard to cut costs back. I would suggest that you look very closely at your expenses and see how you can reduce your spending.

Look at other avenues outside the box to increase sales by adding another product that has demand and complements your business. Do not try to start a new business, just do something simple that doesn't require new marketing but people need when they buy from you.

If you can't cut expenses and you need to float sales, your last option would be to get an overdraft from the bank to float you over the quiet period. I do stress this is the last resort and a "Band Aid" approach that you will have to increase sales by double the next month to pay back the overdraft and get back square.

The most important thing to do is to plan early and look forward.

Brad Callaghan, of [Callaghan Partners](#), has more than nine years' professional accountancy experience. He has worked in senior management roles within taxation and business services dealing with a number of clients from a range of business sectors.

Ask Brad or any other StartupSmart Mentor a question [here](#).