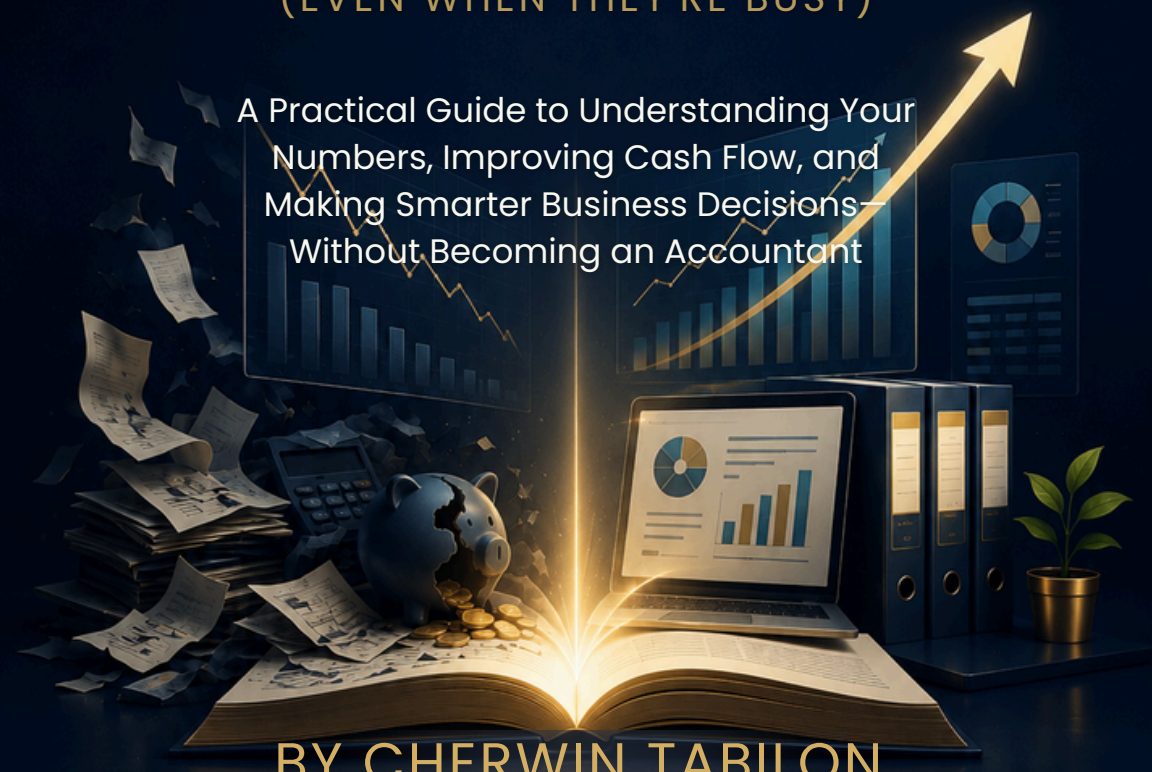
# 7 MONEY MISTAKES

## THAT KEEP SMALL SERVICE BUSINESSES BROKE

(EVEN WHEN THEY'RE BUSY)

A Practical Guide to Understanding Your Numbers, Improving Cash Flow, and Making Smarter Business Decisions—Without Becoming an Accountant



BY CHERWIN TABILON

CHERWIN ACCOUNTING SOLUTIONS

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# Introduction

*Why You're Busy but Still Broke*

You're busy. Your calendar is full. Clients are coming through the door, and your inbox is overflowing with inquiries. From the outside, it looks like you're thriving.

So why does it feel like you're constantly treading water? Why is there never enough cash in the bank to cover the bills, pay yourself properly, and actually grow your business?

Here's the uncomfortable truth: Being busy doesn't always mean you're profitable.

# What You'll Learn

## 1. Understand Your Business's True Financial Health

You'll move beyond checking your bank balance and confidently interpret the key indicators that reveal whether your business is actually making money.

## 2. Identify and Eliminate Hidden Money Leaks

You'll spot unnecessary expenses, pricing issues, and inefficient processes that quietly reduce profits—and take practical steps to stop the bleeding.

## 3. Monitor the Five Essential Financial Numbers Every Month

You'll know exactly which metrics to track, why they matter, and how to use them to make smarter business decisions with confidence.

## 4. Build a Simple Monthly Financial Review Habit

You'll use a practical 30-minute financial health check to stay organized, spot potential issues early, and keep your business on track.

## 5. Make Informed Decisions About Bookkeeping and Growth

You'll understand when it's time to hire a bookkeeper, what to delegate, and how accurate financial information supports confident, sustainable growth.

# How to Get the Most

This isn't a theoretical textbook. I've written this guide in the same way I work with clients—clear, conversational, and solution-focused.

Read actively. Consider how each chapter applies to your specific situation.

Do the exercises. I've included practical exercises, checklists, and reflection questions throughout. Take 10 minutes to complete them—this is where the real learning happens.

Start small. You don't need to overhaul everything at once. Pick one or two strategies to implement this month.

Return to it. Financial health is an ongoing practice. Refer back to these chapters as you build your financial habits.

CHAPTER ONE

# 01

# You're Confusing Revenue with Profit

*Mistake #1*

When I ask business owners how their business is doing, the most common answer I hear is some version of: "We're doing well—we had a great month for sales!"

But when I ask them: "So how much profit did you make?"—the room goes quiet.

This is one of the most common and costly mistakes I see: confusing revenue with profit.

## The Critical Difference

Revenue is the amount your business earns from providing goods or services, whether or not customers have paid yet, when using accrual accounting.

Profit is what's left after you subtract all your expenses from that revenue.

It sounds simple. Yet so many business owners look at their revenue and assume things are going well, without ever calculating whether they're actually making money.

## The Revenue Trap

Imagine you run a consulting business. Last month, you earned and invoiced $20,000 in client work. Business expenses were $4,000 in subcontractor costs, $2,000 in rent and utilities, $1,500 in software, $800 in marketing, $1,200 in insurance, and $1,000 in supplies—a total of $10,500. Profit before personal taxes: $9,500. The owner's personal self-employment tax is not deducted as a business operating expense.

## Why This Confusion Is So Dangerous

When you conflate revenue with profit, you make decisions based on incomplete information:

- You take on more work because revenue is rising, not realizing your profit margins are shrinking.
- You invest in equipment or marketing based on top-line numbers, not the cash you actually have.
- You pay yourself based on revenue, leaving your business short on cash for expenses.
- You don't realize you're losing money on certain clients or projects.

## How to Break the Cycle

### 1. Track Your Profit, Not Just Your Revenue

Make it a habit to look at your Profit and Loss statement (P&L) at least once a month. It shows your revenue, expenses, and net profit for the reporting period, helping you understand whether your business is operating profitably.

### 2. Calculate Your Net Profit Margin

Net profit margin is net profit divided by revenue, expressed as a percentage. If revenue is $100,000 and profit is $20,000, your margin is 20%. Compare margins over time and with comparable businesses, considering differences in costs and business models.

### 3. Look at Profit by Client or Project

You may discover some clients are extremely profitable while others are barely breaking even—or costing you money. Once you know which clients are most profitable, focus your efforts there.

### 4. Stop "Winging" Your Profit

The fastest way a small business loses money is simple: you don't know your numbers, or you aren't paying attention to them. If you just assume you'll have enough in your account, eventually the day will come when you don't.

## Key Takeaways

Revenue and profit are not the same thing.
Looking only at revenue creates a false sense of success.
Know your net profit margin and review it monthly.
Calculate profitability by client or project.
You can't fix what you don't measure.

## Reflection Exercise

Take 5 minutes to complete this exercise:
1. Write down your total revenue for the past 12 months.
2. List all your business expenses for the same period.
3. Subtract your expenses from your revenue.
4. What is your actual profit?
5. What is your net profit margin (profit ÷ revenue × 100)?

CHAPTER TWO

# 02

# You Don't Know Your Numbers

*Mistake #2*

MISTAKE #2

You're a great service provider. You know your craft, your clients, and your industry. But when it comes to the numbers that matter most for your business's survival, you're guessing.

## The Problem with Operating by Instinct

Let me paint a picture. You wake up, check your bank balance, and see that it looks okay. Good enough, at least. You breathe a sigh of relief and get on with your day, trusting that things are fine.

But here's what that bank balance isn't telling you.

### Hypothetical Examples: Beyond the Bank Balance

*These examples are hypothetical, not actual client quotations:*

*A client owes $5,000 and is 45 days overdue.*

*Profit margins have dropped by 5 percentage points over three months.*

*Upcoming payroll will use 70% of available cash reserves.*

*An unused subscription costs $200 per month.*

“

**Checking your bank balance isn't financial management.**

*It's a snapshot. Not a strategy.*

## What Happens When You Don't Know Your Numbers

### Inaccurate Decision-Making

When you don't have clear data, your decisions become reactive rather than strategic.

### Missed Tax Opportunities

Poor financial tracking means missed deductions you're entitled to, leading to higher tax bills.

### Pricing Mistakes

If you don't know your actual costs, you can't price your services effectively.

### Cash Flow Crises

Without visibility into what's coming and going, you can't predict cash shortages—you end up in a constant state of firefighting.

### Wasted Time

When your books are a mess, you spend hours every month trying to piece together your financial picture—time you could spend serving clients.

MISTAKE #2

## Breaking Through the Overwhelm

1. Start with a clean slate. Bring your bookkeeping up to date. If you're behind on your records, get help to catch up.

2. Focus on the big picture first. Don't worry about tracking every cent before you understand your overall financial health.

3. Get the right tools. Use accounting software like QuickBooks Online or Xero to automate the basics.

4. Create a weekly rhythm. Check in on your finances weekly (15 minutes) and monthly (30 minutes).

### Key Takeaways

Checking your bank balance isn't financial management.
Many businesses lose money because they don't track their numbers.
You don't need to know everything—just the right things.
Start by getting your bookkeeping up to date.

### Reflection Exercise

Take 5 minutes to complete this exercise:
1. List all the financial reports you currently look at regularly.
2. For each one, ask: does this actually help me make better decisions?
3. What's one number you wish you knew about your business right now?
4. What's stopping you from finding it out?

CHAPTER THREE

# 03

# The 5 Numbers Every Business Owner Should Check Every Month

CHAPTER 3

You don't need to become an accountant. You don't need to memorize every line of your financial statements. But you do need to know five critical numbers.

These five numbers will give you an instant snapshot of your business's financial health. They'll tell you where you're winning, where you're losing, and what you need to fix.

## In This Chapter

1. Revenue
2. Profit (Net Profit)
3. Cash Flow
4. Accounts Receivable (A/R)
5. Accounts Payable (A/P)

Bonus: Gross Profit Margin

## The 5 Numbers at a Glance

| NUMBER | WHY IT MATTERS |
| --- | --- |
| **Revenue** | Shows if your business is growing |
| **Profit** | What you actually get to keep |
| **Cash Flow** | Money moving in and out right now |
| **Accounts Receivable** | Money owed to you by clients |
| **Accounts Payable** | Money you owe to others |

## 1. Revenue

What it is: Total money coming into your business from sales, services, or products.

Why it matters: Revenue tells you if your business is growing—but on its own, it's just a vanity metric. You need the other numbers to know what's really happening.

Watch for: Declining revenue month-over-month, heavy dependence on one client, or growth that isn't translating into profit.

## 2. Profit (Net Profit)

What it is: Revenue minus business expenses.

Why it matters: Profit supports owner compensation, reinvestment, and growth. A healthy net profit margin varies by industry, business model, and operating costs. Focus on understanding your own margin, comparing it over time, and identifying the factors affecting profitability.

Watch for: Declining profit margins, or rising revenue with flat profit.

## 3. Cash Flow

What it is: The actual money moving in and out of your business bank accounts.

Why it matters: Profit doesn't equal cash in the bank. A business can be profitable on paper and still run out of cash because of slow-paying clients or poor timing of expenses.

Watch for: A cash balance that's shrinking even when revenue is growing, high accounts receivable, or expenses piling up before clients pay.

### Example: The Gap Between Profitable and Broke

*One small business owner had a client delay a $60,000 payment—and came within days of missing payroll because of it. Even a few overdue invoices can create a real cash flow gap.*

## 4. Accounts Receivable (A/R)

What it is: Money owed to you by clients who haven't paid yet.

Why it matters: If you have $50,000 in unpaid invoices, you don't have $50,000 in cash—you have an IOU that could take 30, 60, or 90 days to collect.

Watch for: Growing A/R total month-over-month, increasing average collection time, or a large balance concentrated in one client.

## 5. Accounts Payable (A/P)

What it is: Money you owe to suppliers, contractors, or vendors.

Why it matters: A/P tells you how much cash you need available in the near future. Falling behind on payments can also damage trust with vendors.

Watch for: A/P growing faster than revenue, late payments that risk penalties, or taking on debt you can't afford.

## Bonus: Gross Profit Margin

What it is: Gross profit is revenue minus the direct costs of delivering your services. Gross profit margin is gross profit divided by revenue, expressed as a percentage.

Why it matters: It helps you see how efficient your core service delivery is—especially useful if you have multiple revenue streams, since direct costs can vary widely between projects.

How to track it: Calculate monthly gross profit, and monitor the margin to see if delivery costs are rising faster than your pricing.

### Key Takeaways

Track five numbers monthly: Revenue, Profit, Cash Flow, Accounts Receivable, and Accounts Payable.
Knowing these numbers helps you make smarter business decisions.
Don't just look at bank balances—they're a snapshot, not the full picture.
If you can't easily pull these numbers, prioritize getting that system in place.

CHAPTER FOUR

# 04

# You're Ignoring Hidden Money Leaks

*Mistake #3*

Here's a truth most business owners don't want to hear: your business isn't losing money from one big mistake. It's the slow bleed of tiny, overlooked costs that pile up until profitability disappears.

Most small businesses don't fail because of a single catastrophic event. They fail because of dozens of small, silent expenses that slowly choke profitability.

Let's identify the seven hidden money leaks you might be ignoring.

## The 7 Hidden Money Leaks

1. Unused Subscriptions and Tools
2. Late Payment Penalties and Interest
3. Pricing Errors
4. Doing Everything Yourself
5. Poor or Missing Systems
6. Inefficient Invoicing
7. Not Knowing Your Numbers

## 1. Unused Subscriptions and Tools

Software becomes another monthly charge quietly draining your account.
Fix: Review every subscription from the last six months and cancel what you don't use.

## 2. Late Payment Penalties and Interest

Late fees, interest, and overdraft charges add no value and compound quickly.
Fix: Set automatic bill reminders and pay down high-interest debt first.

## 3. Pricing Errors

Underpricing out of fear of losing clients quietly erodes your margins over time.
Fix: Calculate your true delivery cost and price based on value, not competition.

## 4. Doing Everything Yourself

Every hour on low-value tasks is an hour not spent generating revenue or leading your business.
Fix: Delegate one task at a time to someone whose hourly rate is lower than yours.

## 5. Poor or Missing Systems

When processes live only in your head, every decision requires you personally, and training is inconsistent.
Fix: Document one or two key processes each month.

## 6. Inefficient Invoicing

Late invoices delay payment and quietly tie up cash that should be working for you.
Fix: Invoice the same day work is delivered, and automate payment reminders.

## 7. Not Knowing Your Numbers

This is the leak that makes every other leak on this list harder to catch—it lets leaks 1 through 6 run quietly for months.
Fix: Get your bookkeeping caught up and review your P&L at least once a month.

## How to Stop the Bleed

1. Audit your expenses. Go through your last three months of statements and ask: Do I need this? Is there a cheaper alternative?

2. Track client profitability. Some clients may be costing you money without you realizing it.

3. Build a spending review habit. Review expenses regularly and look for savings with minimal impact on quality.

### Key Takeaways

Hidden money leaks are the slow bleed that kills profitability.
Review all subscriptions and cancel the ones you don't use.
Underpricing is one of the biggest, most invisible money leaks.
Knowing your numbers prevents most money leaks before they start.

CHAPTER FIVE

# 05

# You're Underpricing Your Services

*Mistake #4*

If there's one mistake that costs small service businesses more than almost anything else, it's underpricing. I've seen talented professionals pour their heart into their work, only to discover they're barely paying themselves minimum wage after all their expenses.

## Why We Underprice

### Fear of Loss

"I'm scared that if I raise my prices, I'll lose my clients." If you're providing real value, your clients will pay for it.

### Lack of Confidence

"How can I justify charging that much?" You don't need to justify it beyond: this is what your expertise is worth.

### Competition Focus

"My competitors are charging less." Pricing isn't about matching competitors—it's about communicating your value.

### The "Busy" Trap

Starting low to get clients creates a pool of clients who expect low prices—and now you're too busy to serve them profitably.

MISTAKE #4

## How Underpricing Hurts Your Business

### Low Profit Margins

Razor-thin margins leave no room for mistakes, reinvestment, or growth.

### The Quality Trap

When you're charging too little, you can't afford to deliver high-quality service long-term. You start cutting corners.

### Burnout

When you're underpricing, you have to work more to earn the same amount. Burnout becomes inevitable.

### The Uphill Scale

Once you realize you're underpricing, raising prices feels like a betrayal to clients you've conditioned to expect a bargain.



**By the time she realized she couldn't keep working at that pace, she was burned out—and her clients were trained to expect rock-bottom prices.**

*A Real Business Owner's Story*

## How to Price Properly

1. Know your costs. Include all labor (including your own time), software and tools, overhead, and marketing costs.

2. Know your value. Does your service save time, make money, reduce stress, or solve a painful problem? Price should reflect that value.

3. Know your market. Research competitors, but don't just match them—look at what's included and the quality of what they deliver.

4. Review pricing regularly. Consider changes in costs, demand, market conditions, and the value you provide. Decide whether an adjustment is appropriate for your business; no fixed annual increase suits every situation.

## Key Takeaways

Underpricing is one of the biggest money leaks in service businesses.
Pricing is about value, not competition.
Know your costs, know your value, price accordingly.
Review pricing against costs, demand, market conditions, and value.

## Action Step: Price Your Most Common Service

1. Your time: _____ hours × $_____ /hour = $_____
2. Subcontractor costs: $_____
3. Tools and materials: $_____
4. Overhead allocation: $_____

Total delivery cost: $_____ Proposed price: $_____

Markup = (price − cost) ÷ cost × 100.
Profit margin = (price − cost) ÷ price × 100.

Try different prices. Compare the results with your costs, demand, market conditions, and value. Include all relevant costs when estimating net profit.

CHAPTER SIX

# 06

# You're Managing Cash Flow with Guesswork

*Mistake #5*

Cash flow is the lifeblood of any service business. Yet most business owners treat it like a black box—something they can't control, something that just happens. This is a major mistake. Cash flow can be managed, predicted, and improved.

Profit and cash flow are not the same. A business can be profitable on paper and still run out of cash because of slow-paying clients or poor timing of expenses.

## Why Cash Flow Goes Wrong

### You Don't Forecast

You can't manage what you don't measure, and you can't predict what you don't forecast.

### You Let Receivables Slide

Late invoicing or slow follow-up creates a gap between delivering a service and getting paid for it.

### Your Expenses Are Too Fast

When expenses come due before clients pay, you create a cash flow gap—especially dangerous with long payment cycles.

### You Don't Build a Cash Reserve

Without a cushion, even minor disruptions can force layoffs, delayed payments, or a shutdown.

# How to Manage Cash Flow

## 1. Create a Cash Flow Forecast

List expected cash inflows and outflows for the next 30–90 days. Calculate each week's projected balance and update it as actual numbers come in.

## 2. Speed Up Receivables

Invoice promptly. Set clear payment terms and agreed late fees. Consider early-payment discounts, accept multiple payment types, and follow up on overdue invoices.

## 3. Build a Cash Reserve

Aim for three to six months of operating expenses. Set funds aside during good months and reserve them for genuine emergencies.

## 4. Consider Whether Credit Fits Your Business

Consider whether a business line of credit is appropriate for your needs, repayment capacity, and overall financial situation.

## Common Cash Flow Warning Signs

- Worry about covering payroll or paying bills.
- High receivables with low bank balances.
- Uncertainty about next week's cash position.
- Using personal funds for business expenses.

### 3. Build a Cash Reserve

Aim for at least three to six months of operating expenses. Set aside a percentage of profits during good months, treat it as a non-negotiable expense, and use it only for genuine emergencies.

### 4. Consider Whether Credit Fits Your Business

Consider whether a business line of credit is appropriate for your needs, repayment capacity, and overall financial situation.

## Common Cash Flow Warning Signs

You're constantly worried about covering payroll.
You delay paying bills because you're short on cash.
You have high accounts receivable but low bank balances.
You don't know what your cash position will be next week.
You use personal funds to cover business expenses.

## Key Takeaways

Profit doesn't equal cash—you can be profitable and still go broke.
Cash flow forecasting is essential for managing finances.
Invoice promptly, collect quickly, and build a cash reserve.
Build a cash cushion; assess whether credit suits your needs and repayment capacity.

## Action Step: Build Your First Cash Flow Forecast

List your expected income and expenses for the next 30 days, then fill in your projected balance each week.

Week 1: Cash In $_____ Cash Out $_____ Balance $_____

Week 2: Cash In $_____ Cash Out $_____ Balance $_____

Week 3: Cash In $_____ Cash Out $_____ Balance $_____

Week 4: Cash In $_____ Cash Out $_____ Balance $_____

CHAPTER SEVEN

# 07

# You're Doing Everything Yourself

*Mistake #6*

MISTAKE #6

There's a pattern I see all too often: a business owner who is exceptionally talented at their craft—but also the bookkeeper, marketing manager, customer support person, and IT department.

This isn't just inefficient. It's expensive. And it's keeping you stuck.

## Hypothetical Monthly Time Scenario

| WHAT | AMOUNT |
|---|---|
| Owner billable rate | **$150/hour** |
| Professional Bookkeeping cost | **Varies by Scope** |
| Hours on bookkeeping/month | **20 hours** |
| Potential billable value | **$3,000** |

Important context

**Time saved does not guarantee additional revenue. Fees depend on scope and complexity. Month-end reports are generally prepared after the reporting period closes.**

MISTAKE #6

## Why Business Owners Resist Delegating

- ***"It's faster if I just do it myself."***

  In the short term, maybe. But this keeps you trading future growth for today's convenience.

- ***"I can't afford to hire anyone."***

  The real question is whether you can afford to keep spending your highest-value hours on your lowest-value tasks.

- ***"No one does it exactly the way I want it done."***

  True at first. It stops being true once you document your process and give someone the chance to learn it.

- ***"I don't trust anyone else with my numbers."***

  A real concern—but the solution is delegating to someone qualified, with clear processes and access controls in place.

MISTAKE #6

## The Business Cost, Not Just the Personal

You become the bottleneck—nothing moves faster than you can personally move it.
You can't take time off without things falling apart.
You're too buried in the day-to-day to work on strategy or sales.
Your business's value is tied entirely to you, making it harder to sell, scale, or step back.

## How to Start Delegating

1. List every task you do in a typical month—be honest, including the small stuff.

2. Sort each task: things only you can do, things you do out of habit, and things someone else could do as well or better.

3. Pick one task from the third bucket. Start with something low-risk and well-defined.

4. Document how you currently do it. Even a simple checklist is enough to start.

5. Delegate, review, and adjust. Expect an adjustment period. Give feedback, refine the process, and build from there.

## Key Takeaways

Every hour on low-value tasks is an hour not spent on high-value work.
The real cost is opportunity cost, not just time.
Delegating requires trust and process—both can be built deliberately.
A business that depends entirely on you isn't built to scale.

## Reflection Exercise

Take 5 minutes to complete this exercise:
1. List three tasks this month that weren't the best use of your time.
2. What is your time worth per hour on your highest-value work?
3. What would it cost to have someone else handle one of them?
4. What could you do with the time you'd get back?

CHAPTER EIGHT

# 08

# Your 30-Minute Monthly Financial Health Check

CHAPTER 8

By now, you know the five numbers that matter and the mistakes that quietly drain your profits. This chapter puts it all together into one simple habit: a monthly financial health check that takes about 30 minutes.

You don't need a finance background to do this. You just need a calendar reminder and 30 uninterrupted minutes.

## Why 30 Minutes, Once a Month

Most business owners avoid looking at their numbers because they imagine it's a multi-hour project. It isn't—if your bookkeeping is current and organized. Thirty focused minutes a month is enough to catch problems early, before they become emergencies.

Think of it as a checkup, not an audit. You're not trying to analyze everything. You're scanning for anything that looks off.

CHAPTER 8

# The 30-Minute Checklist

MIN 1–5

## Revenue

□ What was your total revenue this month?
□ How does it compare to last month and last year?
□ Is revenue concentrated in one or two clients?

MIN 6–10

## Profit

□ Pull up your P&L. What was your net profit?
□ Calculate your net profit margin.
□ Is your margin trending up, down, or flat?

MIN 11–15

## Cash Flow

□ What's your current cash balance?
□ Is available cash sufficient for upcoming expenses and obligations?
□ What cash inflows and outflows are expected over the next 30 days?

MIN 16–20

## Accounts Receivable

□ How much is currently owed to you?
□ Are any invoices more than 30 days overdue?
□ Who do you need to follow up with this week?

MIN 21–25

## Accounts Payable

□ What do you currently owe, and when is it due?
□ Is anything at risk of being paid late?
□ Any upcoming large expenses to plan cash around?

MIN 26–30

## One Action Item

Based on everything above, pick one thing to act on this month—not ten. Follow up on an overdue invoice, cancel an unused subscription, revisit pricing, or set aside toward your cash reserve.

### Key Takeaways

A monthly check-in doesn't need hours—just 30 focused minutes if your books are current.
The five numbers from Chapter 3 form the backbone of this routine.
Pick one action item each month rather than trying to fix everything.
Consistency matters more than perfection.

CHAPTER NINE

# 09

# You Don't Know When to Get Help

*Mistake #7*

The seventh and final mistake is often the one that keeps the first six alive: not recognizing when it's time to bring in professional support.

Many business owners wait far too long—not because they don't need help, but because they're not sure how to know when they've crossed the line.

## Why Business Owners Wait Too Long

### Pride

Asking for help can feel like admitting you can't handle your own business.

### Cost Concerns

Hiring support feels like an expense, not an investment—until you calculate what the mistakes are already costing you.

### Not Knowing What Help Looks Like

Good bookkeeping support gives you more visibility and control, not less—not a mess handed off to someone else.

### Believing It Has to Be Perfect First

The ideal time to get support is well before your books become a disaster—not after.

## Signs It's Time to Get Help

You don't need to wait for a crisis. Check off anything that sounds familiar:

□ You're spending several hours a month on bookkeeping tasks you don't fully understand.

□ You're not confident your financial reports are accurate.

□ You've fallen behind on reconciliations, invoicing, or bill payments.

□ Tax time fills you with dread because your records aren't organized.

□ You've never calculated your profit margin, or don't track it regularly.

□ You're growing, and your current systems aren't keeping up.

□ You're making pricing or hiring decisions without clear financial data.

□ You'd rather spend your time serving clients than managing spreadsheets.

***If several of these signs apply, explore whether bookkeeping assistance fits your business's needs, budget, and preferred level of support.***

## The Cost of Waiting

Delaying help doesn't just mean living with disorganized books. It often means:

Disorganized records that make it harder for your tax professional to prepare returns
Pricing decisions made without accurate cost data
Cash flow surprises that could have been forecasted
Hours of your time spent on tasks outside your expertise
Avoidable errors that take longer and cost more to fix later than they would have taken to prevent

## What Getting Help Doesn't Mean

Getting support doesn't mean losing visibility into your own numbers, giving up control of your business decisions, or admitting failure. It means gaining a second set of trained eyes on your finances, freeing up your time for the work only you can do, and making decisions based on accurate information instead of guesswork.

“

**The businesses that struggle most financially usually aren't the ones that got help too early. They're the ones that waited too long.**

## Key Takeaways

Waiting too long for financial help is itself a costly mistake.
Pride and cost concerns are the most common reasons owners delay.
If several warning signs apply to you, it's time to explore support.
The right kind of help gives you more clarity and control, not less.

## Reflection Exercise

Take 5 minutes to complete this exercise:
1. How many hours per month do you spend on bookkeeping or financial admin?
2. What is your time worth per hour on your core work?
3. Multiply those two numbers. Compare that to what professional support typically costs.
4. What's stopping you from getting help today?

CHAPTER TEN

# 10

# When It's Time to Hire a Bookkeeper

*(And What They Should Actually Do)*

Bookkeeping support helps keep financial records accurate, organized, and current. Clear records and reports give owners dependable information for their own decisions.

Choose services based on your business's needs and an agreed scope. CAS focuses on QuickBooks Online bookkeeping for U.S. service-based businesses.

## Bookkeeping Services to Discuss

- Monthly bookkeeping, including transaction categorization and bank and credit card reconciliations.
- Month-end close and financial reporting, generally prepared after the reporting period closes.
- Cleanup and catch-up to bring incomplete or overdue bookkeeping records up to date.
- Payroll support within an agreed scope.
- Accurate, organized records that support financial reporting and help your tax professional prepare returns.
- Clear communication about bookkeeping records, reports, and the work included in your engagement.

## Agree on the Scope of Support

CAS's bookkeeping scope does not automatically include collections, bill payment management, tax preparation, pricing strategy, forecasting, or comprehensive financial advisory services. Discuss your needs and confirm what is included before work begins. Business decisions remain yours; consult the appropriate professional for tax, legal, or investment advice.

## Define Your Bookkeeping Engagement

| AREA | DISCUSS | CONFIRM |
|---|---|---|
| **Core records** | Monthly tasks | **Bookkeeping scope** |
| **Cleanup needs** | Periods to update | **Catch-up scope** |
| **Reporting** | Reports needed | **Close schedule** |
| **Payroll** | Support needed | **Agreed scope** |
| **Communication** | Questions & updates | **Responsibilities** |

CHAPTER 10

## How to Choose the Right Support

- **Experience with businesses like yours** – service businesses have specific financial patterns that matter.
- **Software fluency** – comfort with QuickBooks Online, and setting up the reporting you actually need.
- **Communication style** – someone who explains things clearly, not someone who buries you in jargon.
- **Proactive, not just reactive** – flags issues before they become problems.
- **Clear scope and pricing** – you should know exactly what's included and what isn't.

### Key Takeaways

Choose support that fits your business's needs and agreed scope.

CAS focuses on monthly bookkeeping, cleanup and catch-up, reconciliations, payroll support within scope, month-end close, and financial reporting.

Confirm deliverables, responsibilities, communication, and fees before starting.

CONCLUSION

# From Busy to Profitable

Your Path Forward

If you've made it this far, you now understand the seven mistakes that keep hardworking, talented, genuinely busy service business owners stuck—and broke.

## Let's Bring It All Together

1. Confusing revenue with profit — mistaking money coming in for money you actually keep.

2. Not knowing your numbers — running your business on bank-balance guesswork instead of real data.

3. Ignoring hidden money leaks — letting small, silent costs quietly erode your profit.

4. Underpricing your services — charging less than your work, and your business, are worth.

5. Managing cash flow with guesswork — reacting to cash problems instead of forecasting and preventing them.

6. Doing everything yourself — spending your highest-value hours on your lowest-value tasks.

7. Not knowing when to get help — delaying an assessment of whether bookkeeping support fits your business's needs and budget.

None of these mistakes make you a bad business owner. They make you a busy one—someone who's been focused on serving clients and doing great work, without necessarily being taught how to manage the financial side of that work. That's not a character flaw. It's a skills and systems gap. And it's entirely fixable.

## You Don't Have to Fix Everything at Once

If this eBook has shown you anything, it's that financial clarity isn't about doing everything perfectly. It's about building small, consistent habits:

- Reviewing your numbers monthly instead of avoiding them.
- Pricing based on value and real costs instead of fear.
- Forecasting your cash flow instead of hoping for the best.
- Delegating the tasks that aren't the best use of your time.
- Getting help before a crisis forces your hand.

***Pick one chapter. Pick one action step. Start there.***

# The Business You're Building Deserves This

You didn't start your business to spend your evenings stressed about invoices, guessing at your profit margin, or wondering if you can make payroll. You started it to do great work, serve your clients well, and build something that supports the life you want.

Financial clarity isn't the opposite of that vision—it's what makes it possible. Being busy and being profitable aren't the same thing. But with the right numbers, the right habits, and the right support, they don't have to be at odds either.

***You have what it takes to build a business that's both busy and profitable. Let's make sure your numbers reflect the hard work you're already putting in.***

YOUR

# 30-DAY

## Action Plan

You don't need to implement everything in this eBook at once. Here's a simple, week-by-week plan to start turning these ideas into habits.

WEEK 1

## Get Clear on Where You Stand

□ Complete the Reflection Exercise from Chapter 1 (revenue vs. profit).
□ Pull together your last 12 months of revenue and expenses.
□ Identify whether your bookkeeping is current; if behind, make a plan to catch up.

WEEK 2

## Know Your Numbers

□ Review the 5 numbers from Chapter 3: Revenue, Profit, Cash Flow, A/R, and A/P.
□ Set up monthly reporting through QuickBooks Online, Xero, or your platform of choice.
□ Schedule your first 30-Minute Monthly Financial Health Check as a recurring calendar appointment.

WEEK 3

## Stop the Leaks

□ Complete the expense audit from Chapter 4: review your last three months of statements for unused subscriptions, duplicate tools, and unnecessary costs.
□ Complete the pricing exercise from Chapter 5 for your most common service.
□ Identify one task from Chapter 7 that you could delegate, and document how you currently do it.

WEEK 4

## Build Your Systems

□ Build your first cash flow forecast using the steps in Chapter 6.
□ Review the warning signs in Chapter 9. If several apply to you, research what professional bookkeeping support would look like for your business.
□ Revisit your Week 1 numbers. What's already starting to shift?

### Beyond 30 Days

Financial clarity is a habit, not a one-time project. Keep your monthly 30-minute check-ins going, revisit your pricing annually, and treat your numbers as a tool for decision-making—not a source of stress.

RESOURCES

# Resources and Recommended Tools

## RESOURCES

*These are general categories of tools that many service business owners find useful. Evaluate any tool based on your specific business needs.*

### Accounting Software

- QuickBooks Online
- Xero

### Invoicing and Payments

- Built-in invoicing tools within QuickBooks Online or Xero
- Payment processors that support card, ACH, and mobile payments

### Cash Flow Forecasting

- Spreadsheet-based forecasts (a simple weekly cash-in/cash-out template is often enough to start)
- Forecasting add-ons available within QuickBooks Online and Xero

### Expense and Subscription Tracking

- Your bank and credit card statements, reviewed monthly
- Bank/card alerts for recurring charges

### Professional Support

- Monthly Bookkeeping
- Bookkeeping Cleanup and Catch-Up
- Bank and Credit Card Reconciliations
- Payroll Support Within an Agreed Scope
- Month-End Close and Financial Reporting
- QuickBooks Online Support

**Learn more at www.cherwinaccounting.com or cherwin@cherwinaccounting.com**

ABOUT THE AUTHOR

# Cherwin Tabilon

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ABOUT THE AUTHOR

# Cherwin Tabilon

*Founder, Cherwin Accounting Solutions*

Cherwin Tabilon is the founder of Cherwin Accounting Solutions, bringing more than 15 years of experience in accounting, finance, and business financial operations.

Her experience includes bookkeeping, financial reporting, bank and credit card reconciliations, accounts payable and receivable, payroll support, and month-end close. She specializes in QuickBooks Online and is committed to maintaining accurate, organized financial records.

Through Cherwin Accounting Solutions, she focuses on helping U.S. service-based businesses—including consultants, agencies, healthcare practices, and other professional service providers—gain greater clarity and confidence in their financial information.

Cherwin believes business owners deserve dependable bookkeeping support, clear communication, and financial reports they can understand and use.

Her approach combines professional experience, attention to detail, and modern accounting tools to deliver reliable, organized, and dependable bookkeeping support.

ABOUT

# Cherwin Accounting Solutions

## ABOUT CHERWIN ACCOUNTING SOLUTIONS

Cherwin Accounting Solutions provides QuickBooks Online bookkeeping for U.S. service-based businesses—including consultants, agencies, healthcare practices, and other professional service providers.

We focus on accurate, organized records, clear communication, and financial reports business owners can understand and use.

## What We Do

- Monthly Bookkeeping
- Bookkeeping Cleanup and Catch-Up
- Bank and Credit Card Reconciliations
- Payroll Support Within an Agreed Scope
- Month-End Close and Financial Reporting
- QuickBooks Online Support

Every engagement starts with understanding your business and agreeing on the scope of support.

We work as an extension of your team, combining professional expertise with efficient, technology-supported processes to maintain accurate, organized financial records.

Contact us to discuss your bookkeeping needs.

# Your Financial Clarity Starts Now

Ready to gain greater clarity and confidence in your business finances? If you're ready to:

- ✓ **Understand where your business stands financially**
- ✓ **Feel more confident about your financial records**
- ✓ **Make informed decisions with clearer financial information**
- ✓ **Build a stronger foundation for long-term business growth**

***...then let's start the conversation.***

## Book a Discovery Call

Let's discuss your bookkeeping needs and see whether Cherwin Accounting Solutions is the right fit for your business.

**Book a Discovery Call**

**Visit: www.cherwinaccounting.com**

**Email: cherwin@cherwinaccounting.com**

*To your financial clarity and continued success,*

## Cherwin Tabilon

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