

Financial training For non financial staff



The financial training specialists

Job done? (cashflow)

I've worked a lot this year with a colleague who specialises in project management.

It's been fascinating sitting in on his sessions, and I began to realise that he's talking about how we do it, and – with finance training – I'm talking about why we do it. But the similarity in our messages always startles me.

Stuart emphasises how lack of clarity about the project scope leads to delays when completing the project.

It also leads to disagreement about exactly what we can and can't charge for, and affects how promptly we can invoice our work, and get paid for it.

But one thing we always disagree on is when the project is finished.

He says the project is complete once it has been signed off.

I say it's complete once the customer has paid the bill.

Although I understand where Stuart is coming from, there are two important factors to consider.

The first is that most businesses that fail, do so because of cashflow problems. And the biggest source of cashflow problems is late payment by customers. So following the invoice through to its eventual payment is vital.

The second is about career progression. Any decent project manager is expected to complete the project on time, on budget, to a satisfied customer. That's just the base expectation.

Cashflow is the least understood part of financial success. The project manager whose invoices are always paid on time will stand out from their colleagues as exceptional.

So follow those invoices through to payment!