



FROM PRESSURE TO PROGRESS

A Practical Guide for Business Owners Navigating Financial Difficulty

For South-West Business Owners in Agribusiness, Trades, Hospitality, Allied Health & Retail

This guide is for informational purposes only. It does not constitute financial, legal, or insolvency advice.

Introduction: Pressure Is Not Failure

Financial pressure is one of the most common, and most isolating, experiences a business owner can face. You might be looking at a cash shortfall, struggling to meet supplier payments, or simply watching your bank balance shrink despite working harder than ever.

What most business owners don't realise is that pressure is not the same as failure. Many well-run, fundamentally sound businesses go through periods of real financial difficulty. The difference between those that come through it and those that don't often comes down to one thing: acting early, with clear information.

This guide is designed to help you understand what is happening in your business, what options you have, and how to think clearly when the pressure is on.

The Most Important Principle

The earlier you seek clarity, the more options you have. Most business problems that become crises were navigable - if addressed sooner. This guide is about helping you act before things escalate.

CHAPTER 1: Understanding What's Actually Going On

Before you can address financial pressure, you need to understand its source. Not all cash flow problems are the same — and the solution depends entirely on the cause.

The Four Most Common Sources of Business Financial Pressure

1	Cash Flow Timing	The business is profitable, but money comes in slower than it goes out. Common in businesses with long debtor cycles, seasonal revenue, or rapid growth.
2	Cost Creep	Costs have risen gradually without a corresponding increase in revenue or pricing. The margin that used to work no longer does.
3	Revenue Shock	A major customer has left, a contract has ended, or market conditions have changed. Revenue has dropped sharply and costs haven't adjusted.
4	Structural Issues	The business model itself has a fundamental problem — pricing, product mix, overheads, or capacity that simply doesn't produce enough margin to sustain the business.

Most situations involve more than one of these factors. Getting an independent, experienced set of eyes on your numbers - without emotion or attachment - is often the fastest way to understand which is actually driving the problem.

Questions to Ask Yourself Right Now

- Is my business profitable on paper but running out of cash? (Timing issue)
- Have my costs increased significantly in the past 12–18 months?
- When did I last review my pricing - and is it actually covering all costs?
- Am I deferring ATO obligations, supplier payments, or loan repayments?
- Is the pressure seasonal and temporary, or ongoing and structural?
- Am I making decisions based on current numbers - or on how the business used to perform?

CHAPTER 2: Your Options — More Than You Think

When cash flow tightens, many business owners feel like they have no options. In reality, the options available at the early stages of pressure are significantly greater than those available once a situation has deteriorated.

Option 1: Improve Cash Flow Without New Revenue

Before looking outside the business for help, it's worth identifying what can be unlocked internally. This includes:

- Accelerating debtor collections - call outstanding invoices before they hit 30 days
- Negotiating extended payment terms with suppliers
- Reviewing stock levels - is capital tied up unnecessarily?
- Identifying subscriptions, contracts, or costs that can be paused or reduced
- Reviewing your invoice timing - can you bill earlier or collect deposits upfront?

Option 2: Engage Your Bank Early

Banks and lenders have far more flexibility than most business owners realise — but only when approached proactively. Waiting until you've missed payments significantly reduces your options.

- Request a temporary repayment holiday or restructure
- Ask about increasing your overdraft or line of credit
- Discuss refinancing existing debt to reduce monthly obligations
- Provide updated financials proactively - it demonstrates competence, not crisis

Key Insight

Banks are much more willing to work with business owners who come to them with a plan. If you wait until you've missed payments, you're negotiating from a position of weakness.

Option 3: Work With the ATO

The Australian Taxation Office has formal processes for businesses experiencing genuine difficulty. These are underused because many owners don't know they exist or feel embarrassed to engage.

- Payment arrangements - formalise a repayment plan for outstanding BAS or PAYG
- Interest remission - the ATO can remit interest charges in genuine hardship cases
- Penalty remission - late lodgement penalties can sometimes be reduced
- Small Business Assist - ATO's dedicated support line for businesses under pressure

Important

Ignoring ATO debt is one of the most damaging things a business owner can do. The ATO has significant powers and will act - but they also have significant flexibility for owners who engage honestly and early.

Option 4: Creditor Negotiation

Most creditors, being suppliers, landlords, and lenders, would prefer a negotiated outcome over a default. A structured approach to creditor communication can buy critical time and goodwill.

- Communicate early - before payments are missed if possible
- Be honest about the situation and clear about what you're proposing
- Offer a specific payment arrangement, not just a vague promise
- Follow through on every commitment you make - credibility is everything

Option 5: Strategic Restructure

Sometimes the best path forward involves changing the shape of the business itself - not just managing cash. This might include:

- Exiting a loss-making product line, location, or service
- Renegotiating a lease or moving to lower-cost premises
- Reducing headcount thoughtfully and strategically
- Bringing in a strategic partner, investor, or buyer for part of the business
- Considering a structured wind-down if the business is no longer viable

CHAPTER 3: Making Calm, Informed Decisions

Financial pressure creates urgency. Urgency creates poor decisions. The most important thing you can do when facing a difficult period is slow down enough to think clearly — and surround yourself with the right people.

Who Should Be in the Room?

Most business owners going through financial difficulty benefit from having the right advisors around them. This typically means:

- Your accountant - for tax implications, structuring, and compliance
- An independent business advisor - for commercial judgment, strategy, and advocacy
- A lawyer - if there are contract disputes, personal guarantees, or formal processes involved
- Your banker - ideally before things are urgent, not after

What Allied Solutions Provides

We sit in the independent advisor role, helping business owners understand their true position, evaluate their realistic options, and make decisions with clarity and confidence. We are not accountants, lawyers, or insolvency practitioners. We are experienced commercial operators who have guided many business owners through similar situations.

A Simple Decision Framework

When facing a significant business decision under pressure, ask these questions in order:

1	What do I actually know?	Separate facts from assumptions. What do the numbers actually say - not what you hope or fear?
2	What are my real options?	Most situations have more options than they first appear. Have you explored all of them with someone experienced?
3	What are the consequences of each?	Short-term and long-term. Financial and personal. Consider all of them honestly.
4	What is the cost of inaction?	Doing nothing is also a choice - and often the most expensive one.
5	What do I do in the next 7 days?	Turn your decision into a specific short-term action plan. Momentum matters.



If your business is under pressure — or you can see it coming —
we offer a confidential, no-obligation conversation.

We provide calm, considered guidance — not panic, not pressure.

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