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TURNING FINANCIAL CHAOS INTO CLARITY

Where Is My Money Going

15 Common Places Your Business Could Be Losing Money



Revenue doesn't always equal profit.

You can have strong sales and still leave significant money on the table.
Use this checklist to identify potential profit leaks hiding inside your business.

1. Pricing

☐ Have you raised prices in the last 12–24 months?
☐ Do you know the actual profit margin on each product or service?
☐ Are you discounting more than you realize?
☐ Are you charging enough to cover rising costs?

Potential leak: Underpricing can quietly erode profitability—even when revenue is growing.

2. Unprofitable Customers

☐ Do you know which customers are most profitable?
☐ Are some customers requiring significantly more time or support than others?
☐ Do you have customers who consistently negotiate your pricing?

Potential leak: Your biggest customers aren't necessarily your most profitable customers.

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3. Unbilled Work

☐ Is every billable hour, project, service, or expense being invoiced?

☐ Do employees or contractors complete work that never makes it onto an invoice?

☐ Are change orders and additional services consistently billed?

Potential leak: Work performed but never invoiced is revenue you earned but didn't collect.

4. Accounts Receivable

☐ Are customers paying on time?

☐ Do you regularly follow up on overdue invoices?

☐ Do you know your average collection time?

Potential leak: Slow-paying customers can create cash-flow problems even when your business is profitable.

5. Excess Inventory

☐ Do you have products sitting on shelves for months?

☐ Are you regularly buying inventory without reviewing demand?

☐ Do you know which inventory is generating a return?

Potential leak: Cash tied up in slow-moving inventory can't be used elsewhere in business.

6. Unnecessary Expenses

☐ Have you reviewed recurring subscriptions recently?

☐ Are you paying for software or services you're barely using?

☐ Have vendor prices increased without you noticing?

Potential leak: Small recurring expenses can add up to thousands of dollars a year.

7. Payroll & Staffing

☐ Does your staffing level match your current workload?

☐ Are employees spending time on low-value tasks?

☐ Do you know the revenue or profit contribution of major roles?

Potential leak: Labor is often a business's largest expense—and small inefficiencies can have a major impact.

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8. Poor Cash-Flow Planning

☐ Do you know what your cash balance will look like 30, 60, or 90 days from now?
☐ Do you plan for large upcoming expenses?
☐ Have you experienced unexpected cash shortages despite being profitable?
Potential leak: Without forecasting, you're reacting to cash problems instead of planning for them.

9. Taxes

☐ Are you setting aside enough for tax obligations?
☐ Are you planning for taxes throughout the year?
☐ Are you reviewing tax-related decisions before year-end?
Potential leak: Poor planning can create unnecessary tax exposure or unexpected cash requirements.

10. Financing & Debt

☐ Have you reviewed the interest rates on your debt?
☐ Are you carrying unnecessary balances?
☐ Are you using the right type of financing for your business?
Potential leak: Expensive financing can quietly consume a portion of your profits every month.

11. Vendor Costs

☐ Have you negotiated with your major vendors recently?
☐ Are you comparing pricing with alternative suppliers?
☐ Do you know which vendors have increased prices?
Potential leak: A few percentage points in vendor savings can make a meaningful difference to your bottom line.

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12. Poorly Performing Products or Services

☐ Do you know the profitability of each major offering?

☐ Are you continuing to sell products or services simply because you've always offered them?

☐ Do some offerings require disproportionate time or resources?

Potential leak: Revenue production doesn't always mean profit-producing.

13. Owner Decisions Without Financial Data

☐ Do you know how much you can safely spend on growth?

☐ Do you know when you can afford to hire?

☐ Are major decisions based on financial projections—or gut instinct?

Potential leak: Growth decisions made without financial visibility can become expensive mistakes.

14. Lack of Financial Forecasting

☐ Do you have a rolling 12-month forecast?

☐ Do you regularly compare actual results against your budget?

☐ Do you understand *why* you're ahead or behind plans?

Potential leak: Historical financial statements tell you what happened. Forecasting helps you prepare for what's next.

15. No One Watching the Big Picture

☐ Is your bookkeeper focused primarily on recording transactions?

☐ Does someone regularly analyze your financial statements?

☐ Do you have someone helping you turn financial data into business decisions?

Potential leak: Your financial statements may be accurate—but if nobody is using them strategically, opportunities can be missed.

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How Many Boxes Did You Check?

0–5: You may have a relatively strong financial foundation, but there could still be opportunities to improve profitability.

6–10: There are several areas worth investigating. Small leaks can add up quickly.

11–15: Your business may have significant opportunities to improve cash flow and profitability.

The important question isn't how many boxes you checked. It's how much those leaks could be costing you.

Let's Find Your Biggest Profit Leaks

We'll look at your numbers and identify the areas that deserve your attention.

You don't need to guess where your money is going. A fractional CFO can help you analyze your financials, identify the biggest opportunities, and create a plan to improve profitability and cash flow.

Schedule a Complimentary Consultation
https://calendly.com/bookkeepingmeeting/fractional-cfo-services-rightfit