**4 Simple Ways Small Business Owners Can Turn Their Finances Around – Even When It Looks Hopeless**

As a small business owner, experiencing ups and downs in your finances is normal. Successful entrepreneurs have shown over and over that it’s possible [to make a big comeback](https://www.inc.com/sujan-patel/5-failed-entrepreneurs-who-made-a-big-comeback.html) and get out of a financial rut no matter how bad it was. This serves as precedent that you can bounce back from the nastiest of financial troubles.

A few years ago, when I just started out, I experienced a lot of financial down times. I saw myself go from a couple of thousands of dollars to a few hundreds and tens at a certain time. One of my first options was to quit, conclude that things were not working, and move on to the next ‘happening’ thing. Luckily, I chose to persevere, and few months later, business picked up, and things got better.

Would I have gotten successful if I moved on to the next big thing? Maybe or maybe not. But [studies have confirmed](https://www.inc.com/elizabeth-macbride/why-repeat-entrepreneurs-succeed.html) that repeat entrepreneur are more successful than those business owners who closed up when business wasn’t rosy. That is why you need to stay put.

If your business is currently going through a rough patch, don’t lose hope. I have been there in the past, learned my lessons, and bounced right back. Below are four simple things that helped me turn my finances around. They will help you too.

**1.**   **Get your mindset game right**

Although there are lots of personal finance and business tips out there, mindset plays a huge role when it comes to setting your finances straight. When you dig deep, it’s no surprise that those who run ailing businesses all have a scarcity mindset. The good news is that you can shift your mindset to align with the financial turnaround you so desperately need.

There are so many techniques for [shifting your mindset from scarcity to abundance](https://www.forbes.com/sites/gingerdean/2017/12/31/4-ways-to-shift-your-money-mindset-from-scarcity-to-abundance/#15b52d433a37). To change my financial state for instance, I had to take some time out and write down what my beliefs were about money. I found out I was more focused on scarcity than abundance. For instance, I believed that I needed to struggle to rub two dimes together. I equally believed that I didn’t really deserve to be part of those making the big bucks. No wonder my finances went down: I was self-sabotaging myself.

To change that, I wrote down the opposite of the limiting beliefs I had about money and started affirming them every day. It worked for me and should work for you too.

**2.**   **Know the current state of your finances**

At a point in time, I had a lot of bad debts. I kept records in my business, but it wasn’t thorough. I hated accounting, so I shied away from it. But going down financially forced me to take an accounting course in business school and learn how to keep financial records.

Similarly, find out what your current financial standing is. That means you need to know how much you’re owing, how much you’ve got to spend and how much money is coming in. Check out if you’ve got your taxes in order and that you’re not doing anything that could [constitute tax fraud](https://criminaldefense.com/different-actions-that-constitute-tax-fraud). This may be a tough one especially when your business isn’t doing so great, but it is a must do.

This simple exercise will help you put your finances in perspective. And it’s only when you know what you’ve got on ground that you’ll be able to make progress in improving it.

**3.**   **Keep your priorities right**

Let’s face it: it takes a lot of discipline to manage your finances. It’s sad – maybe even heartbreaking – that those pair of limited-edition sneakers you wanted to buy for yourself must be put on hold because you’re investing the money into your business. This is especially true for small business owners and new startups.

The danger of cybercrime makes it worse, especially if you are using your business account to make purchases. In [this article](https://vpnbase.com/blog/5-ways-you-put-yourself-at-risk-online-every-day-how-to-prevent-it/) on VPN Base, Sara Mirchevska suggests that mitigating cybercrime risks begins by making sure you never type in your password on an unencrypted website. It is bad enough that you are using your business finances for personal shopping, you should not make things worse by becoming a victim of cybercrime.

In my own case, I placed myself on a salary. This helped me to discipline myself and to get better at personal budgeting. You should try it too. Put all your expenses on an imaginary scale to find out if it will give you a juicy Return on Investment (ROI). It will take a lot of grit but when the results start rolling in, it will be worth it.

**4.**   **Stick with a system that works for you**

You need to [create a system for your business](http://mystartupceo.com/build-a-system-for-your-startup/) based on what you currently have. Personally, I cut down some products that were not selling. I automated more, outsourced more, and delegated more. That way, I could use my time and energy better in scaling my business and in other worthwhile ventures.

Running a business without any system in place is not sustainable and you’ll end up spending more money maintaining your business than earning money. [Creating systems makes way for a sustainable business](https://jenniferbourn.com/systems-build-sustainable-businesses/). Aside from helping you boost your income, systems make you more productive and efficient.