

NEW
Introducing a new premium newsletter from MarketWatch.



HULBERT ON MARKETS
WHAT'S WORKING NOW
FREE 4-WEEK TRIAL ▶

Dow Jones Reprints: This copy is for your personal, non-commercial use only. To order presentation-ready copies for distribution to your colleagues, clients or customers, use the Order Reprints tool at the bottom of any article or visit www.djreprints.com

[See a sample reprint in PDF format.](#)

[Order a reprint of this article now](#)

THE WALL STREET JOURNAL.

WSJ.com

SMALL TALK | MAY 17, 2010

A Cash Crisis

Q: I've owned a small clothing boutique for three years. I weathered the economy, but now a construction project that will last three months has blocked foot traffic to my business. This is killing my cash flow so much that I had to delay paying my rent and my sales tax. When do I call it a day?

—Susan, Burlingame, Calif.

A: Fighting for survival is never easy, but keep in mind: If you don't pay sales tax, the state could shut you down. When that happens, "you lose control—and that's even more frustrating," says Jerry L. Mills, founder of B2B CFO Partners LLC, a Phoenix firm that provides part-time chief-financial-officer services to small businesses. So, direct any reserve funds toward the payment of taxes as a first step in getting out of an already bad situation.

After that, place a call to your insurance agent, and see if your business owner's policy includes business-interruption insurance, which generally kicks in when natural or man-made hazards threaten your company. And while it's best to avoid legal action, you might consider contacting an attorney to see if you have any recourse against the party—be it the city or a next-door neighbor—who's jackhammering. Given the situation, you might also be able to negotiate a lower rent from your landlord, especially while construction continues.

As far as deciding whether to close up shop, you should perform a simple cost-benefit analysis, looking at whether the positives outweigh the negatives if you remain open for six more months, Mr. Mills says. If it looks like you'll sink further into debt, damage your credit score or—perhaps worst of all—risk losing personal assets, such as your home or retirement savings, then it might be wise to call it a day, he says. You might seek the advice of an accountant, who can help take some of the emotion out of the decision.

—Colleen DeBaise

Copyright 2009 Dow Jones & Company, Inc. All Rights Reserved

This copy is for your personal, non-commercial use only. Distribution and use of this material are governed by our [Subscriber Agreement](#) and by copyright law. For non-personal use or to order multiple copies, please contact Dow Jones Reprints at 1-800-843-0008 or visit www.djreprints.com