

How Sending Prelims Can Improve Cash Flow

Cash flow is an essential part of a construction business, but it can be a challenge to keep up with as project payments can move at a slow pace. You have to take care of your workers and suppliers. Paying them ASAP is critical, however, it takes up cash flow, leaving you in a bind as you wait for payment on other projects.

SENDING PRELIMINARY NOTICES PROTECTS YOUR COMPANY'S CASH FLOW.

Here's how it works



Once you send a preliminary notice, **lines of communication** are made clear from the beginning, so owners and GC's know exactly what improvements are being made, materials provided and who needs to be paid for the project.



Now that communication has been established, the client has an **alert of a payment** that needs to be taken care of and can prioritize it.



As a result, **you may be paid quicker**, and the client now eliminates the risk of having a lien on their property as a result of a non-payment.



Now that you've been paid, cash tightening is no longer a problem. **You are free to now start to fund another project**, plan ahead, and continue to operate smoothly.

Other Prelim Benefits

OWNERS WANT TO AVOID PROPERTY LIENS -

If for whatever reason a project is not paid for, a mechanics lien may be the next step. This is a document that states that unpaid construction businesses can freeze the property, which is something owners want to avoid at all costs. Sending prelims ensures that the owner knows who is working on the project so they can pay the appropriate contact, and avoid having a mechanic's lien on their property!



IMPROVES SUPPLIER RELATIONSHIPS -

The sooner you are able to pay your supplier, the happier your supplier is. Building a long-term relationship with a quality supplier is one of the many keys to a successful business. If you can't afford to pay your supplier it could stop production entirely, resulting in a delayed project. With cash flow coming in quicker from sending in your prelim, you are able to get your suppliers paid quicker, resulting in efficient project management!



Improve your cash flow with our easy to use online portal where you can send prelims and track payment progress on any project starting at just \$25.00!