

Founders Obsess Over Cash Flow – But There's a Threat That's Even More Dangerous

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Key Takeaways

- Why digital access has become an overlooked vulnerability that can cripple a business just as quickly as cash flow problems.
- The practical steps every founder should take now to protect their company from lockouts, losses, and preventable digital failures.

Cash flow problems have long been cited as the biggest challenge for entrepreneurs, and the most likely reason why a company could go out of business. While the risks associated with cash flow management certainly aren't going away, today's founders need to prepare for an equally important risk: losing digital access.

Losing digital access can ultimately prove just as devastating to your business as running out of money, keeping you from being able to access important files or manage standard business operations. This is especially true with the ever-growing number of digital resources entrepreneurs rely on to keep their business running in the first place.

By understanding key digital access risks and planning accordingly, you can protect your business just as well as if you improved your cash flow management.

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Fortify your cybersecurity efforts

Cybercriminals understand just how important digital access is for most businesses – and how easy a target it can be. Ransomware attacks often try to lock entrepreneurs out of their devices, software or files, requiring a hefty ransom payment to regain access.

Without a strong cybersecurity plan in place, businesses put themselves at a higher risk of successful attacks that block access and compromise data. Taking steps to strengthen cybersecurity, such as requiring verification and authentication for all network users, keeping software and applications up to date and consistently backing up data, can all reduce the risk of a successful attack.

Of course, proper management of passwords and other login methods is also essential to protect digital access. Entrepreneurs should set (and follow) strict standards for complex passwords, as well as use more secure login methods like biometrics and push notifications.

Remember, a zero-trust system that limits digital access based on what an employee needs to access can help reduce risk, along with consistent training and security protocols. A successful phishing attack on a lower-level employee can still compromise digital access for the entire organization if its internal network isn't fully secured. Regular security audits should be part of every digital access plan.

Master your password management

Losing track of digital assets can be as damaging as running out of money, which is why understanding basics like a crypto wallet is becoming essential for modern founders. Passwords,

PINs, secret recovery phrases and other private keys help prevent unauthorized access while ensuring that you can safely access your own accounts.

For entrepreneurs, there are two key aspects of digital access that they must consider: how to keep a record of their various logins that control digital access, and how to recover login information when needed. This is especially true when most entrepreneurs use dozens of tools for everything from project management and scheduling to marketing and analytics.

These twin needs make a quality password manager essential for every entrepreneur, allowing you to store and encrypt all of your passwords. Your password manager could simply contain a spreadsheet with a full list of accounts and associated passwords, all protected by the master password. Many password managers use zero-access security and even require you to register new devices when using them.

Of course, you can also go old-school with a written document that isn't connected to any network (cloud or self-hosted). This would require a lot more work, and the list would need to be stored in a secure location, not left out on your desk. While this may seem like overkill, some level of redundancy in storing password information is a good idea in case your primary option is lost or becomes inaccessible.

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Develop a digital succession plan

In 2019, the CEO of Canadian cryptocurrency exchange QuadrigaCX died unexpectedly from Crohn's disease. Such an incident would be tumultuous for any company, but for QuadrigaCX, it was disastrous – the CEO was the only person who had the password that provided access to \$190 million in customer funds. His laptop was encrypted, and no one knew its

password or recovery key. Encryption-breaking efforts failed, and the massive losses ultimately caused the company to file for bankruptcy.

It's a sobering lesson for any leader, yet it is an area that continues to be overlooked. How many entrepreneurs have a succession plan that ensures digital access if they become incapacitated? While a CEO might not want their login information to be accessible to others on a day-to-day basis, they simply can't afford a scenario where no one else can get this data if needed.

As this example clearly demonstrates, every entrepreneur should have a clearly outlined digital succession plan that ensures passwords and other essential digital resources can be accessed by other business leaders should the worst happen. Many entrepreneurs view their business as their legacy, but without accounting for digital access as part of their succession documents, that legacy won't last long.

Digital access has sometimes been viewed as an afterthought, even as the number of logins needed to handle business software, data and finances has grown exponentially. Entrepreneurs can no longer afford to treat it this way. By viewing digital access as equally important as cash flow management, entrepreneurs who become more proactive in this area will ensure the ongoing viability and stability of their company.

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