

Cash Flow Issues - Checklist

1. Do not overreact - take action based only on data.
2. Get key employees' input on your planning strategies.
3. Do a revised business/strategic plan for the next six months.
4. Revise cash flow for the next six-month period.
5. Revise pro forma statement for the next six months based on your revised business plan.
6. Explain your plan to the entire staff and ask for their input.
7. Evaluate personnel needs across the board.
8. Hold off replacing personnel that have resigned, retired or been terminated.
9. Make cuts in personnel, quickly if necessary, starting at the top of the organization.
10. Maintain a larger cash position to take advantage of sale prices.
11. Do monthly aging of your accounts receivable.
12. Enforce your collection terms.
13. Be flexible in looking for new solutions.
14. Review inventory for slow moving items - turn these into cash.
15. Do analysis of inventory. Only re-order those items that sell, but don't over inventory these items.
16. Do monthly aging of your accounts payable.
17. Make sure your customers perceive your company's excellent customer service.
18. Owner should sign all checks for 60 days to get feel of cost areas of company.
19. Establish temporary line of credit through your bank.
20. Reevaluate timing of capital expenditures.
21. When capital expenditures are necessary, cost justify and shop for prices.
22. Use barter to reduce cash needs.
23. Keep in closer contact with existing customers.

24. Review all former clients to see whom you can sell to again.
25. Look at related type products or services that you could sell to your same market niche.
26. Don't decrease your advertising or marketing budget. Instead, increase budget to take advantage of competition cutbacks.
27. Don't cut off training for your employees.
28. When it becomes necessary to replace personnel, look for the most experienced candidates.
29. Search for lowest long distance provider.
30. Be very careful not to cut back on your marketing, this will create a double problem – the economy and your sales.
31. Look at independent sales representatives to increase your sales effort.
32. Review your postage expense and look for ways to cut down.
33. Review and justify travel expense; replacing with video conferencing, webinars, or teleconferencing.
34. Review and justify entertainment expenses.
35. Review and justify office supply expenses.
36. Refigure your break-even analysis based on your new business plan.
37. Review your recent monthly P & L statements for percentage trends.
38. Re-use office supplies, folders, paper clips, etc. whenever possible.
39. Save poor quality copies and outdated stationery and use for scratch paper.
40. Tighten up credit checks for your new customers.
41. Do a monthly check of your P & L statement against revised pro forma statement.
42. Do a monthly current ratio and take steps to strengthen the ratio.
43. Keep bank informed of your company's progress. Bankers hate surprises!!!
44. Do a monthly inventory turn ratio analysis.
45. Offer a settlement on receivables before turning over to collection agency

or attorney.

46. Use small claims court to collect a certain amount of your problem account receivables.
47. Join monthly meeting group of other companies to exchange ideas and learn new techniques.
48. Review your insurance programs. Consider increasing their deductibles.
49. Don't manage for the moment. Consider long-term goals of the company before taking action that could affect the future of the company.
50. Take time to plan and review your operation against plan.
51. This is a great time to take a closer look at your business. What can you do without?
52. Look at early retirements.
53. Encourage absence without pay wherever you can.
54. Use part time employees, temps and outside contractors.
55. On collections, get as much money up front as you can.
56. Encourage employees to burn paid time off during Holiday season.
57. Reduce your workweek.
58. Delay Payments.
59. Use family to help out.
60. Working on systems, planning, and developing the organization can put the company in an ideal position to lead in the recovery cycle that we know eventually will come.
61. Utilize Special Promotions.
62. Try to get More Work from Existing Customer Base.
63. Encourage referrals from existing customers, suppliers and staff.
64. Increase visibility of company & products.
65. Increase meetings with employees focusing on growth and profitability.
66. Rearrange staff assignments.

67. President should be spending more time working with customers.
68. Look at selected price increases.
69. Look at increasing product lines.
70. Review and alter compensation program.
71. Ask every customer for 3 referrals, providing a discount to them for any that close in a sale.
72. Require down payments, or increase the down-payment %, particularly during slower months.
73. Increase Sales
74. Barter for Goods & Services
75. Reduce direct and indirect costs and overhead expenses
76. Defer discretionary projects which cannot achieve acceptable cash paybacks (within one year)
77. Implement an EFT payment process for customers
78. Increase prices for slow payers
79. Review payment performances of customers, involving the sales force
80. Become more selective when granting credit
81. Seek deposits or multiple stage payments
82. Reduce the amount/time of credit given to customers
83. Bill as soon as work is done or orders are fulfilled
84. Improve overall systems for billing and collections
85. Use the 80/20 rule to control inventories, receivables and payables
86. Improve systems for paying suppliers
87. Establish credit-card only payment processes for customers (using internal credit card or bank cards).
88. Generate regular reports on receivable ratios and aging

89. Establish and adhere to sound credit practices – train staff
90. Use more pro-active collection techniques
91. Add late payment charges or fees where ever possible
92. Increase credit taken from suppliers
93. Negotiate extended credit from suppliers
94. Make prompt payments only when worthwhile discounts apply
95. Establish milestone payment processes
96. Discontinue customer product/service delivery if accounts are delinquent
97. Reduce inventory levels and improve control over work-in-progress
98. Sell off or return obsolete/excess inventory
99. Utilize factoring, or discount facilities, to accelerate receipts from sales
100. Defer or re-stage all capital expenditures
101. Use alternative financing methods, such as leasing, to gain access to the use (but ownership) of productive assets
102. Re-negotiate bank facilities to reduce charges
103. Seek to extend debt payment periods
104. Net off or consolidate bank balances
105. Sell of surplus assets or make them productive
106. Enter into sale and lease-back arrangements for productive assets
107. Defer dividend payments
108. Raise additional equity
109. Defer merit increases
110. Covert debt to equity
111. Make medium- and short-term cash flow forecasts and update them regularly.