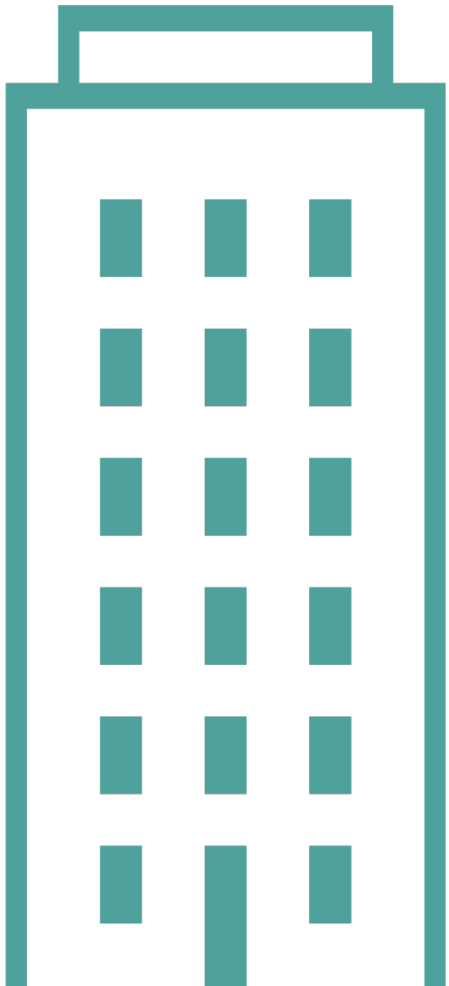


40 Ways You Can Improve Your Cashflow

No matter what your business is, or how small it is...
at Accurox we can think of at least 40 ways you can improve your cashflow



1



Clarify contract and payments terms with customers and suppliers before you take on work. Having clear expectations of each party will help you take on business with the confidence that you can meet your obligations, while preventing complications around delivering to schedule and getting paid on time

2



Plan, plan and plan again – By planning for all your financial requirements, you can better understand your position. Always put some savings away for a rainy day. The easiest & most accurate way to do this is to use a software packages with forecasting tools that show you predictions such as renegotiating payment terms, benchmarking suppliers or exploring funding.



3

Be proactive – Make sure you plan efficiently & have good controls around your working capital requirements. Know the impact of every possibility, so you can act quickly if clients suddenly pay you late, or costs rise quickly

4



Be flexible and keep an open mind - A solid financial plan can ensure your business stays flexible. This can give you a competitive advantage and a chance to preserve cash, which in turn can help improve access to funding and reduce the cost of borrowing

5



Prepare a cash flow forecast and update it ideally monthly, or at the very least quarterly. Seek advice from your accountant.

6



Be clever with stock. Work out how much you need to operate. At the same time try minimising the amount of cash locked up in expensive stock.

7



Check in on your suppliers from time to time to see how business is., This may help to avoid running out of supplies that would stop you from being able to operate

8



Renegotiating payment terms can reduce your cost, especially if you can get better terms elsewhere. Don't rule out changing suppliers if you can get better terms that help you retain more cash in your business.

9



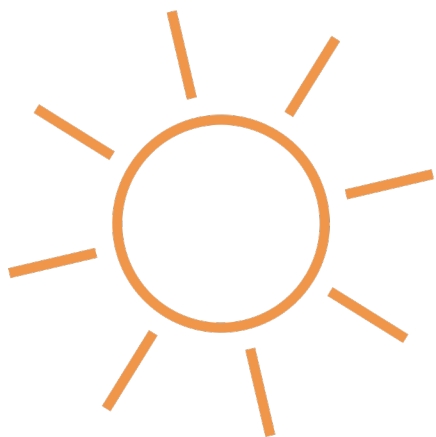
Choose your funding and credit options carefully, to put in place fixed and variable arrangements that allow your business to scale up or down.

10



Have a tight grip on outgoings and maintain a cash buffer for difficult times. Also, think about business insurance when a cash buffer is not a feasible option.

All businesses need to manage and forecast business cash flow to ensure there is enough money to pay staff and suppliers and build up cash reserves to invest in the growth of the business. There are some basic steps you can take to improving your business' cashflow, ensuring you can continue to grow, even when times are hard.



11



Anticipate potential issues by considering best and worst-case scenarios and preparing.

12



Clearly state fees and services up front to reduce the possibility of disputes with customers and the possibility of non-payment within terms

13



Streamline your invoicing process to make it easier to get paid. Prompt invoicing and automatic follow up will help. There are apps to help with this and you might consider Electronic Data Interchange (EDI), which saves money in operational efficiency, and enhances the quality of data and improve cash turnaround time.

14



Consider payments in stages. This can be useful for a job that is spread over a long period of time. By agreeing payments at certain milestones, you won't have to wait for the service or contract to be completed to get paid and this will help your cashflow.

15



Make use of supplier payment terms – you should always pay in time, but not too early if it could adversely affect your own payments to suppliers resulting in a late payment. There are a range of accounting softwares that automate management and payment of supplier invoices, ask your accountant for advice.

16



Trim unnecessary spending by scrutinising your working practices. Embrace the cloud to reduce paper, video meetings and conferences will save travel costs, working from home, could reduce your overheads. Ensure that your ERP software can link your customer and supplier demand to enable purchases of inventory at the right time. Investment in this area, as well as the expertise of a good analyst can really improve not only your cashflow, but also profitability of the business.

17



Use a Cloud accounting software like Xero allows you to easily track your finances and view your situation in real time. You'll be able to streamline your bank connections, ensuring your transactions directly into the software. This makes tracking of your cash much easier. Easy to understand graphs and charts illustrate information you need to understand at a glance. Track invoices, bills, payments, PayPal, credit card accounts and bank balances in real time and monitor cash flows.

18



Reward customers who pay on time with a small discount. Then see Tip 14 and request a deposit for the next job.

19



Increase your prices and sell your old inventory.

20



Keep track of your accounts receivables and organize your billing schedule so you are aware of slow payers and their payment history.

At Accurox we can work with several accounting software packages, but we recommend Xero, for it's ease of use and compatibility with other apps and HMRC.



22



Take advantage of the time built into pay your credit card (usually 3 weeks after you receive your statement) and use it to pay suppliers and to make business purchases.

22



Shop around for the best deals and consider used equipment instead of new. Auctions e.g., may have machinery in good condition worth purchasing.

23



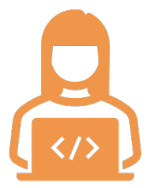
Check if you are eligible for loans based on your assets or equipment, particularly if you are carrying credit debt with high interest.

24



Always check your cash flow projections using a reliable software. Do this at least on a weekly basis to have a clear picture and assess your flexibility.

25



Invest in your business – Hire an accountant, upskill your team and increase marketing improve your business offer and ultimately your cashflow.

We can advise you on a range of matters from business plans, investment & financing.
Just give us a call.... 01634 557 391

26



Don't withdraw cash from your business for personal use if possible.

27



Don't go crazy on buying new technology – Only take the plunge if you can see clearly how it will improve your workflow or save you money.

28



Improve your environmental credentials – this may have a cost up front but should ultimately save money later on. Consider installing solar panels to cut down on energy bills. reducing water use to save on your water bills or cut down printing to save on cartridges.

29



Consider Factoring – This means selling your account receivables to a factoring company for a discount and leaving them to the business of collecting the payment. This means you get most to the money for the job straight away and the factoring provider takes a cut for doing the leg work. We can advise you on this if you require it, so you use a reputable provider.

30



Streamline your customer's online buying experience. e.g. through e-commerce, having a physical store or office or making time to see your clients, answer all customer calls etc.



31
Nobody wants to reduce staff – but improving business processes could see your requirements drop.



32
Establish clear terms and conditions – if any deal is struck based on T&Cs, it can avoid misunderstanding and strengthen your ability to collect an outstanding amount later on.



33
Avoid seasonal fluctuations by diversifying – Consider new ideas when demands for goods and services are low at certain times of the year.



34
Assess your customer base – Lots of customers on long payment plans can impact your cashflow. Identify the customers who are better payers and seek out more of them. At the same time renegotiate terms with existing customers to put your business on a better footing, or decide to move on.



35
Check credit history of customers – to monitor their payment practices and if you want to continue dealing with them.



36
Build up a cash reserve – access to capital is important to keep your business running and you never know when an emergency will strike.



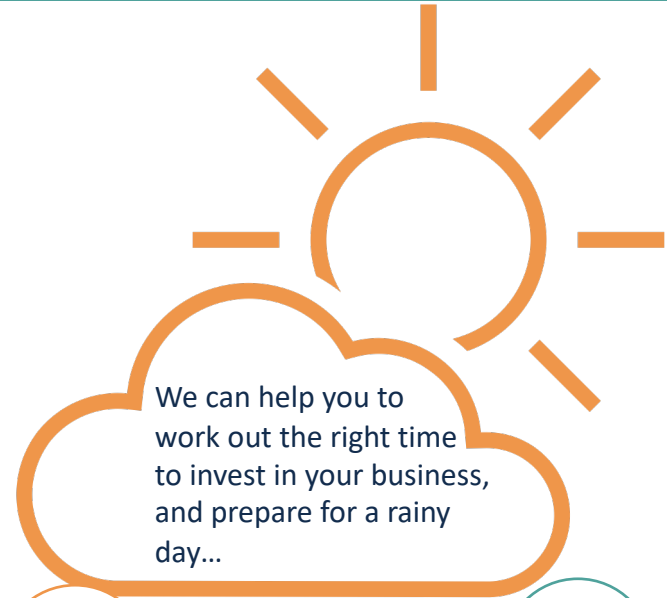
37
Stretch out your payables – giving you more time to pay back what you owe.



38
Assess your network for barter opportunities – if a supplier is also a customer so you exchange services/goods instead of cash.



39
Promote continuity sales to meter out your cashflow – discounts for longer term purchasing secures you cashflow for a longer period. Offering the cashflow stability you may need to focus on business growth.



We can help you to work out the right time to invest in your business, and prepare for a rainy day...



40
Nurture strong relationships – cash flow can benefit from good working relationships so having a friendly relationship with suppliers could help you to negotiate better payment plans, or credit account facilities with them. Meaning you can pay more flexibly.