



Cash Flow Tips

1.

KNOW TODAY'S CASH POSITION

- **Working Capital, Return on Assets**
- **Monthly Bank Reconciliations**
- **Stop using CASH to buy depreciating assets**



2.

HAVE A CASH PLAN

- **Project out 2 pay periods**
- **List current lease or loan payments**
- **Be conservative**



3.

UPDATE YOUR DEPOSIT STRUCTURE

- **30:30:40**
- **Don't BE the Bank for your clients**
- **Full Payment due upon completion**



4.

ELIMINATE DELAYS IN INVOICING

- **Customers want to pay when the project is complete**
- **Invoice 1st of the month for Maintenance**
- **Invoice smaller amounts more often**



5.

ENFORCE PAYMENT DISCIPLINE

- **Ensure you have clear terms**
- **Customers expect to adhere to your terms, don't be afraid of calling**
- **Ensure there is 1 person responsible for A/R**



6.

INTRODUCE PRE-PAYMENT

- Offer a 3% discount if services are paid in FULL
- BUT, know your costs first!!!



7.

EVALUATE YOUR CUSTOMERS ANNUALLY

- Fire poor margin customers OR
- Raise prices, carefully



8.

CONTROL YOUR SPENDING

- **Watch all & every expense**
- **Watch the pennies...the dollars will take care of themselves!**



9.

BE PROACTIVE WITH SUPPLIERS

- **Negotiate payment terms**
- **Be open with them**
- **Ask for their help**
- **Have partners, not just a suppliers**



10.

LIQUIDATE ASSETS, CAREFULLY

- **Unused Inventory**
- **Sell Non Productive Assets**
- **Excess Assets (equipment etc.)**





Rule of 72