



Cash flow improvement checklist

Issues that could be impacting your cash flow...

Consider each of the issues below and rate your performance at managing each issue.

The items with low ratings are where you should begin focusing your efforts, then build from there...

Plan to lift the performance in every area until you are "Under Control" with every item

Rate your control of each area:
Green = under control
Amber = could use improvement
Red = attention urgently required



1. Management related issues

Business model – for example your jobs last 45 days on average and it takes customers another 60 days to pay on job completion, but you pay staff weekly



Cash planning and measurement – for example forecasting and budgeting



Debt level – how much you've borrowed externally – too much/not enough?



Sales growth – high is good, however if cash requirement is not properly considered this can cause severe cash flow issues



Sales decline – marketing issues/customer satisfaction levels



Understanding of working capital management



Bookkeeping errors



Fraud



Overstaffing



Owners' personal drawings



2. Profit related issues

Lack of profit



Pricing/costing right



Control of spending



Interest payable



Regular/consistent price review/increase



Discounting – understanding of impact on cashflow



3. Stock related issues

Selling right stock/sales mix



Obsolete stock



Too much stock/over-ordering stock



Stock takes



Ordering too quickly



Understanding of the 'sales cycle'



Reporting on stock movement



Theft/shrinkage/spoilage



4. Work in progress/job management related issues

Quality of job management system



Job profit levels and reporting



Quoting/estimating process/systems



Labour management



Labour productivity level



Proactively seeking extra work from customers



5. Customer payment related issues

Slow customer payments



Sending statements



Speed and quality of invoicing



Payment methods available



Terms of trade



Customer credit checks



Outstanding payment reporting



Follow up calls, emails and record keeping



Use of debt collection services



6. *Supplier payment related issues*

Time to pay suppliers – too quickly is not good for cash flow



Use of discounts available



Price negotiation – are you paying too much?



Terms of payment – have you got the best terms?



Paying COD when terms could be used



Control of supplier payments – errors/overpayments



As you can see, there are many factors affecting cash flow. The old saying is 'cash is king!'

It is well worth embarking on a campaign to focus on these issues and start fixing them today, to benefit your business in the future.

If you can create a cash flow focused attitude in your business, cash flow problems will become a thing of the past, and you will be able to grow your business!



To commence your free 14-day trial of flowcash...

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