

25 WAYS TO IMPROVE CASH FLOW

1. Track cash flow on a daily or weekly basis



2. Invoice immediately using clear, easy-to-read invoices



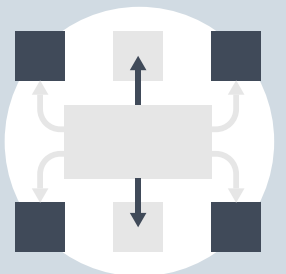
3. Check credit ratings for new, large orders



4. Get up-front payment or retainers for high-risk or slow to pay customers



5. Segment your customers based upon profitability and average time to pay



6.

Have dedicated collections person



7.

Identify disputes and resolve them quickly



8.

Incentivize collectors based upon collections goals



9.

Incentivize sales force to improve cash flow



10.

Pay commissions off cash receipts or back out bad debts from commissions

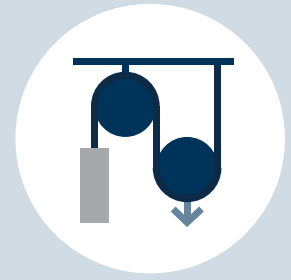


11.

Investigate how much cash is tied up in slow-moving inventory



12. Maintain a perpetual inventory system



13. Investigate availability of popular products to meet sales



14. Pay bonuses for warehouse personnel based upon improving inventory turns



15. Develop a vendor payment schedule based upon weekly cash flow report



16. Ask key vendors to stretch terms when cash is tight



17. Take advantage of discounts when cash is available



18. For large balances, ask for conversion to notes payable



19. Segment suppliers as regular suppliers vs. one-off purchases, negotiate better terms



20. Ensure that long-term assets are funded with long-term debt



21. Minimize fixed asset purchases when cash is tight



22. Properly fund necessary asset purchases – match asset financing with cash generation ability



23. Renegotiate lease agreements



24. Put your cash to work – use sweep accounts to earn money on excess cash



25. Seek additional investment capital when needed

