



WAYS TO IMPROVE YOUR CASHFLOW



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A history of shaping financial success

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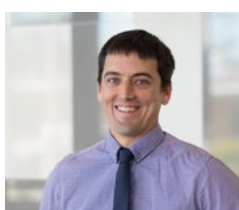
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MANAGING YOUR CASHFLOW IS THE MOST IMPORTANT FACTOR IN ACHIEVING FINANCIAL SUCCESS.

A business that manages its cash flow well, is a business that thrives long term and allows the owners the security and freedom of operating without cash flow pressures. We have compiled a list of handy cash flow hints around how your cash flow can be improved.

1. Have a cash plan for your business. It is hard to improve if you don't know where you're at.
2. Collect your receivables.
3. Make it easier for your customers to pay you and pay you straight away. Offer credit card payments and direct deposits, and make sure customer payment methods are easily found on all areas of your business.
4. Eliminate delays in invoicing - get them in the mail as soon as possible.
5. Request progress payments on large orders.
6. Raise prices after evaluating volume considerations (pricing can be variable so let customers decide what they are willing to pay).
7. Make full use of terms with suppliers or slow payments. Negotiate special payment terms with key vendors (vendors tend not to complain if they are receiving regular payments that they can count on).
8. Seek additional finance from banks (such as overdraft extensions).
9. Skew promotions towards products/services that can be turned into cash quickly.
10. Use extended payment plans for business insurance premiums.
11. Have retainers and payment terms with sub-contractors that correspond with the terms you have with your customer.
12. Pay for large service contracts over the life of the contract.
13. Use "sales" to convert stock into cash (but be careful of negative affect on profit).
14. Don't let personal drawings from the business get out of hand.
15. Limit drawings for a period if necessary.
16. Adopt a "just in time" inventory system for key items, (if you can trust your supplier to meet your schedules).

FOR MORE INFORMATION CONTACT



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