

Cash Flow Management Checklist

Cash is the most precious asset in your business. It requires an ongoing vigil. Here are some helpful tips on how to maximize your company's cash position. Implement strategies to accomplish the following actions. Once those strategies have been implemented, constantly review and monitor them to ensure maximum cash flow.

Strategies to Maximize Cash Flow

- _____ Increase Sales – increase sales while holding margin
- _____ Maintain/improve Gross Profit Margin [GP%]
- _____ Maintain/improve Net Income Margin [NI%]
- _____ Expedite accounts receivable collection period – speed up A/R Turnover rate
- _____ Minimize inventory days – speed up Inventory Turnover rate
- _____ Minimize CapEx – minimize/limit fixed asset purchases
- _____ Use terms offered by suppliers – slow down your Accounts Payable Turnover rate
- _____ Properly fund asset purchases – match asset financing with cash generation ability
- _____ Inject additional capital in business – seek additional investment in company
- _____ If you plan on extending credit do homework first – review credit worthiness
- _____ Invoice immediately – send bills out daily
- _____ Make invoices easy to read, complete and correct
- _____ Make paying easier – consider alternative methods of payment
- _____ Put your cash to work – regularly invest your cash, don't let it sit around idle
- _____ Plan ahead – anticipate your needs for cash, ask before you need it