

REVIEW AND IMPROVE CASH FLOW

NINE IDEAS TO IMPROVE YOUR BUSINESS CASH FLOW

Keeping control of cash flow remains one of the most important disciplines for any business. Profit on paper does not always translate into cash in the bank, and many otherwise successful businesses run into difficulty simply because cash is not managed closely enough.

Below is a simple checklist of actions that can be implemented quickly to improve cash flow.

Review your invoicing process

Make sure invoices are raised promptly, ideally as soon as work is completed. Delays in issuing invoices often lead directly to delays in payment.

Tighten credit control

Actively monitor who owes you money. Follow up overdue invoices regularly and consistently and consider setting clear credit terms for new customers.

Consider staged or upfront payments

Where possible, ask for deposits or agree staged payments for larger projects. This reduces the risk of funding work before being paid.

Manage supplier payments carefully

Take full advantage of agreed payment terms without damaging supplier relationships. Avoid paying earlier than necessary unless there is a clear benefit.

Reduce unnecessary costs

Review regular outgoings such as subscriptions, utilities and services. Small savings made across multiple areas can improve cash flow quickly.

Review stock levels

Holding excessive stock ties up cash. Check whether stock levels can be reduced without affecting service or sales.

Improve pricing where appropriate

If costs have increased, review whether prices need to be adjusted. Even modest increases can have a meaningful impact on cash flow.



Prepare simple cash flow forecasts

A basic forecast can highlight potential shortfalls in advance, allowing time to take corrective action.

Consider funding options

Short term finance, overdrafts or invoice finance can provide support during periods of pressure but should be used carefully and planned in advance.

WE CAN HELP

Taking regular, proactive steps such as these can make a significant difference to financial stability. If you would like help reviewing your cash flow or putting a simple plan in place, please get in touch by calling us on **01753 888 211** or email info@nhllp.com. We are here to help.