

Special Report For:

**Business Owner
Managers
Office Manager**

9 Ways to Increase Available Cash



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Cash is the life blood of any business. More businesses suffer as a result of lack of cash than for any other reason.

The following are nine ways to ensure that cash is being received by the business at the earliest possible time and to minimise outgoings.

1. Send out invoices at the earliest possible time

The earlier the invoice can be sent out the earlier you are likely to receive your money. Sending invoices by electronic mail ensures the customer has the invoice at the earliest possible time.

2. Send invoices for all sales

Ensure all sales have been invoiced. A sale that has not been invoice will not generate the cash to come in. The cost relating to that missed invoice (cost of the goods sold) still have to be paid for which is a drain on the cash resource.

3. Charge interest on overdue accounts

On all overdue invoices, charge interest. Customers will pay up earlier rather than incur the interest charge. Ensure invoices show interest will be charged on all overdue accounts and the rate at which this is charged.

4. Ensure that there is a no nonsense program for going after slow paying customers.

Have a system in place to chase up slow payers. This involves ringing requesting the funds, sending statements, adding interest (see 3 above) and other ways to ensure the funds are received in terms of the credit terms applied.

5. Sell off obsolete stock at any price

Obsolete stock takes up space that could be better utilised for higher margin and higher moving stock. The inventory may be sold at a loss but at least some cash is generated and can be used in a more productive way.

6. Critically examine all expenditure

Review all expenditure and cut out the unnecessary. This may include rationalising the telephone and internet services, do not reimburse for employee illegal acts (speeding fines), travelling less and many others.

7. Learn the mechanics of cash forecasting

Cash forecasting not only shows where your business is going cash wise but more importantly makes you focus on what the actual expenditure is, where it is going and is it really needed. Time spent here with a product like Multi-SWAC can save you much needed cash.

8. Do not pay your accounts payables/creditors before the due date

Your creditor has given you terms and you should pay at the last possible moment within these terms. It means you have the cash in your business not theirs.

9. Accept early repayment discounts that are offered by your creditors

Early payment discounts are invariably at a better rate than what you can get from having the cash in the bank. For your large creditors negotiate early payment discounts where possible.

