

## **Tactics, Tips & Techniques to PRESERVE CASH FLOW**

### **1. Prioritize Payments – Decide who and what to pay first**

- Make a payment list in order of priority
- Payroll, tax withholdings, and government remittances should come first — that's not your money to keep
- Be transparent with vendors if you need to delay payments

### **2. Accelerate Collections – Follow up quickly and consistently**

- Identify your biggest outstanding invoices
- Call high-value customers earlier and more frequently
- Be polite but persistent — people pay the ones who ask

### **3. Invoice Early – Timing is everything**

- Don't delay sending invoices — the clock starts when it's received
- Include clear due dates and terms
- Consider early payment incentives, such as 2% off if paid within 10 days

### **4. Offer Discounts – Encourage faster payments**

- Small discounts (e.g. 1–3%) can motivate early payment
- Tie discounts to specific timeframes to improve cash flow
- Only offer discounts to customers who pay consistently

### **5. Invoice More Frequently – Don't wait**

- Break large projects into milestones or phases
- Weekly or bi-weekly billing keeps cash coming in
- Smaller invoices are often easier to approve and pay quickly

### **6. Ask for Partial Payments Up Front – Not just for contractors**

- Request a deposit or percentage before starting work
- For ongoing services, consider monthly retainers or prepayments
- Builds commitment and improves cash planning

### **7. Fine-Tune the Timing of Your Payables – Plan, don't panic**

- Know when each bill is due and avoid late fees
- Use full payment terms when possible, without damaging vendor relationships
- Schedule payments strategically to manage cash peaks and valleys

### **8. Ask the 'Right' People for Loans or Investment – Think outside the box**

- Look beyond banks: suppliers, customers, and friends may help
- Consider convertible notes or revenue-share models
- Be clear about terms and show a plan for repayment

### **9. Manage Your Credit Cards – Don't let them manage you**

- Use cards strategically for short-term float — not long-term debt
- Pay more than the minimum when possible
- Watch interest rates and due dates closely

### **10. Consider Layoffs as a Last Resort – Balance cost and compassion**

- Review every cost center before cutting people
- Explore alternatives: reduced hours, job sharing, temporary furloughs
- Communicate openly and respectfully with affected staff

# Cash Flow = Money In – Money Out

## Understand it, Manage it, and Replenish It

- It means: you get paid on time and you pay others on time
- You manage those obligations & processes by Understanding it, Managing it, and Replenishing it

### 1) Understand It!

#### Where does cash come from?

- Sales, Receivables, Borrowing, Investment (you and others)

#### Where does cash go?

- Inventory (Cost of Goods)
- Operating Expenses (Overhead)
- Payroll, Taxes, Debt and other payments
- Pay out to Owners

### 2) Manage It!

- Using a cash budget to track cash coming in and out (daily or weekly even)
- Prepare short-term cash flow forecasts

### 3) Replenish It!

#### • Increase Sales

Discounting, promotional, timed sales  
Mindset on marketing strategies, creative selling tactics

#### • Move inventory

Stop waiting – Do something today  
But be aware of the replacement cost

#### • Look at Pricing

Are you pricing to industry metrics?

#### • Put New Money in your pocket.....through Outside Sources

##### ➤ Lenders

How to be prepared to go visit and ask for \$  
- Or re-negotiate existing debt  
- Make interest-only payments for a period of time

Traditional and Alternative

- Choose the right type

##### ➤ Investors

Matching your business with investors