

Cash Flow Management Checklist

Your business' most precious asset is cash. Maximizing, monitoring and maintaining it requires an ongoing vigil. Here are some helpful tips on how to maximize your company's cash position. You should implement strategies to accomplish the following actions; checkoff after completing each action. 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 gross profit margin
- Maintain/improve Gross Profit Margin [GP%]
- Maintain/improve Net Income Margin [NI%]
- Expedite A/R collection period – speed up A/R Turnover
- Minimize inventory days – speed up Inventory Turnover
- Minimize CapEx – minimize/limit fixed asset purchases
- Use terms offered by suppliers – slow down A/P Turnover
- Properly fund asset purchases – match asset financing with asset life
- Inject additional capital – seek additional investment in company
- If you plan on extending credit – review credit worthiness of company
- Invoice immediately – send bills out daily
- Make invoices easy to read, complete and correct
- Make paying easier – consider alternative (electronic) methods of payment
- Put your cash to work – invest your cash, don't let it sit around idle
- Plan ahead – anticipate your needs for cash, ask before you need it