

30+ Ways to Create Positive Net Cash Flow

1. Increase sales ask for payments/sales with a plus profit margin.
2. Reduce direct and indirect costs and overhead expenses.
3. Temporarily defer discretionary projects which cannot achieve cash paybacks.
4. Increase prices (especially to slow payers).
5. Review the payment performances of customers - involve sales force/incentive plans reflect collectibles.
6. Become more selective when granting credit – perform credit checks.
7. Seek deposits or multiple stage payments/use ACH today!
8. Reduce the amount/time of credit given to customers – incent with interest terms.
9. Bill as soon as work has been done or order fulfilled.
10. Improve systems for billing and collection. Do not wait until the end of the month!
11. Use the 80/20 rule to control inventories, receivables and payables.
12. Improve/implement systems for paying suppliers.
13. Generate regular reports on receivable ratios and aging. Then review them for action.
14. Establish and adhere to sound credit practices - train staff.
15. Use pro-active collection techniques/document process.
16. Add late payment charges or fees where possible.
17. Increase the credit taken from suppliers.
18. Negotiate extended credit/terms from suppliers when you purchase.
19. Make prompt payments only when worthwhile discounts apply.
20. Reduce inventory (stock) levels and improve control over work-in-progress/just in time inventory practices.
21. Sell off or return obsolete/excess inventory.
22. Utilize factoring, or discount facilities, to accelerate receipts from sales.
23. Defer or re-refinance all capital expenditure.
24. Use alternative financing methods, such as leasing, to gain access to the use (but not ownership) of productive assets.
25. Review bank rates and terms.
26. Seek to extend debt repayment periods.
27. Consolidate bank/credit card balances.
28. Sell off surplus assets or make them productive.
29. Enter into sale and lease-back arrangements for productive assets (determine cost/benefit).
30. Defer dividend payments.
31. Raise additional equity.
32. Complete cash flow forecasts and update them regularly. See cash flow budget worksheet.