



The Little Black Dress and Cash Flow

Cash Flow Management Action Plan

more money for shoes

Cash Flow Management Action Plan

Prepare a cash flow forecast (See How to Prepare a Cash Flow Forecast in the shopping list for instructions)

Note where cash flow looks like it will be low / negative

Implement changes to prevent and improve poor cash flow including:

- Assist cash inflows by:
 - Accurate and timely invoicing
 - Understanding and negotiating invoice terms with your customers i.e. reduce your payment terms if possible
 - Have as many payment options as possible for your customers i.e. cash, cheque, EFTPOS, direct debit etc.
 - Develop a collection plan for overdue receivables i.e. chase every week for 4 weeks, refer to a debt collector
- Assist cash outflows by:
 - Understanding and negotiating invoice terms with your suppliers i.e. extend the time you have to pay the invoices if possible
 - Maximise returns on surplus funds i.e. use an interest earning account
 - Control and monitor your business expenses

Monitor your cash flow forecast by comparing the actual cash flow situation at the end of each month to what you predicted.

Change the cash flow forecast for the coming months to help ensure accuracy and reliability if need be once the forecast is compared to actual results.

Repeat the process.

Who will do it	What will they do	By When	Ongoing