

# Basic Management Tips For Improving Cash Flow

---

- (1) Make preparing invoices one of your highest priorities.
- (2) Before sending the first bill to a new customer, ask the name of the person who authorizes the payment; address the bill to that person.
- (3) Provide customers with information allowing them to make payments directly into company bank accounts.
- (4) Include due dates on all invoices that the company sends out.
- (5) Send invoices separately from statements.
- (6) Send stamped, self-addressed envelopes with the bills.
- (7) Reduce the grace period for late payment -- and increase the frequency of reminders to late payers.
- (8) Copy incoming checks, depositing the originals immediately and using the copies for check posting and accounting.
- (9) Have bookkeeping pay suppliers on a chronological basis -- rather than the easy routine of paying all on one day.
- (10) Centralize the spare parts inventory.
- (11) Standardize auxiliary materials and spare parts.
- (12) Scrap, rework, or sell obsolete spare parts.
- (13) Pare down the number of raw materials specifications in use.
- (14) Decrease all stocks held for "safety" purposes.
- (15) Reduce the lot sizes used for purchasing supplies.
- (16) Reduce the amount of finished goods on hand.
- (17) Refine the accuracy of the company's revenue forecasts.

Business Resource Services provides practical in-person and on-line financial training programs and software for companies worldwide. The programs give small business owners, banks and corporations and franchisees financial tools to improve the financial health of their organizations. For more information on BRS visit [www.brs-seattle](http://www.brs-seattle), or call 800.488.3520.