

# Cash Flow Management Checklist

Cash is the most precious asset in your business. It requires an ongoing vigil. Here are some helpful tips on how to maximize your company's cash position. Implement strategies to accomplish the following actions. 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 margin
- \_\_\_\_\_ Maintain/improve Gross Profit Margin [GP%]
- \_\_\_\_\_ Maintain/improve Net Income Margin [NI%]
- \_\_\_\_\_ Expedite accounts receivable collection period – speed up A/R Turnover rate
- \_\_\_\_\_ Minimize inventory days – speed up Inventory Turnover rate
- \_\_\_\_\_ Minimize CapEx – minimize/limit fixed asset purchases
- \_\_\_\_\_ Use terms offered by suppliers – slow down your Accounts Payable Turnover rate
- \_\_\_\_\_ Properly fund asset purchases – match asset financing with cash generation ability
- \_\_\_\_\_ Inject additional capital in business – seek additional investment in company
- \_\_\_\_\_ If you plan on extending credit do homework first – review credit worthiness
- \_\_\_\_\_ Invoice immediately – send bills out daily
- \_\_\_\_\_ Make invoices easy to read, complete and correct
- \_\_\_\_\_ Make paying easier – consider alternative methods of payment
- \_\_\_\_\_ Put your cash to work – regularly invest your cash, don't let it sit around idle
- \_\_\_\_\_ Plan ahead – anticipate your needs for cash, ask before you need it