



## TOUGH TIMES CHECKLIST

- Review your budgets and set realistic and achievable targets for 2009.
- Get rid of can't pay/won't pay clients.
- Review debtors list and chase up overdue invoices.
- Offer existing debtors extended payment terms and/or discounts.
- Make sure your terms of business contain explicit payment terms.
- Assign responsibility to one individual for invoicing and collections.
- Agree extended payment terms with all suppliers in advance (if appropriate).
- If appropriate, review banking facilities and discuss future needs.
- Put extra effort into making sure your relationships with your better customers are solid.
- Review and flow chart the main processes in your business (e.g. sales processing, order fulfilment, shipping, etc) and challenge the need for each step.
- Encourage team members to suggest ways to streamline and simplify processes (e.g. sit down and brainstorm about efficiencies and cost reduction).
- Use 'bottom up' budgeting where everyone in the office gives input on areas over which they have control - target a 10% cost saving.
- Review your staffing needs over the next 12 months and make weak or unnecessary individuals redundant now.
- Get your members of staff involved in a discussion of likely trading conditions and get their input on reducing costs and maintaining revenues.
- Review your list of products and services and eliminate those that are unprofitable or not core products/services.

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- Establish your key performance indicators (KPIs) and measure them on a daily basis e.g :-
  - Sales leads generated
  - Orders supplied/fulfilled
  - Cash balance
  - Stock turnover
  - Debtor days
  - Gross profit
  - Net profit
  
- Review efficiency of business processes and consider alternatives such as outsourcing certain activities locally or overseas.
  
- Pull everyone together and explain the business strategy and get their buy-in.

Checklist source: Jerroms LLP The Exchange, West Midlands

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