

Tough Times – Business Checklist

No	Action Item	Completed
1.	Review your Budgets and set realistic and achievable targets for 2009.	
2.	Get rid of can't pay/won't pay customers.	
3.	Review debtors list and chase up overdue invoices. Consider credit checking existing customers who start paying slower.	
4.	Offer existing debtors extended payment terms and/or discounts.	
5.	Consider asking for personal guarantees from directors for Limited company customers.	
6.	Make sure your terms of business contain explicit payment terms.	
7.	Include Reservation of title clause for stock held by customers.	
8.	Assign responsibility to one individual for invoicing and collections.	
9.	Agree extended payment terms with all suppliers in advance.	
10.	If appropriate, review banking facilities and discuss future needs.	
11.	Put extra effort into making sure your relationships with your better customers are solid.	
12.	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.	
13.	Encourage team members to suggest ways to streamline and simplify processes (e.g. sit down and brainstorm about efficiencies and cost reduction).	
14.	Use 'bottom up' budgeting where everyone in the office gives input on areas over which they have control – target a 10% cost saving.	
15.	Review your staffing needs over the next 12 months and make weak or unnecessary individuals redundant now.	
16.	Get your members of staff involved in a discussion of likely trading conditions and get their input on reducing costs and maintaining revenues.	
17.	Review your list of products and services and eliminate those that are unprofitable or not core products/services.	
18.	Establish your key performance indicators (KPI's) and measure them on a daily basis e.g: <ul style="list-style-type: none"> • Sales Leads generated • Orders supplied/fulfilled • Cash balance • Stock Turnover • Debtor Days • Gross Profit • Net Profit 	
19.	Review efficiency of business processes and consider alternatives such as outsourcing certain activities locally or overseas.	
20.	Pull everyone together and explain the business strategy and get their buy-in.	

If you would like to discuss any of the points from the checklist please contact Janet Shapcott on 01332 680540.