

Checklist for



Implementing any of these recommendations requires careful thought and planning. The SBDC can offer you for [confidential, professional guidance](#) and practical, number-crunching solutions.

Solve Any Immediate Cash Crisis

- Organize financial data in one place
- Make a list of the problem areas
- Set priorities for collections and payables
- Determine next day's tasks each night
- Set time frame and goals for cash management
- Contact [your local SBDC](#) for FREE help.

Collect Accounts Receivable

- Bill customers as soon as possible
- Use account aging reports to manage and project cash flow
- Collect everything now
Call everyone – don't wait! Begin collections on overdue accounts, pick up large checks in person, require cash payment at time of service, offer discounts only on prepayments

Contact Creditors

- Decide who to pay first – e.g., lenders, past-due taxes
- Forecast cash flow, then payment plan
- [Manage your credit score](#). Talk to credit decision-makers early and often
- Offer partial payments, if possible
- Keep payment promises

Adjust Prices and Reduce Costs

- Be competitive in the pricing/value balance
- Charge extra for emergencies, deliveries, etc.
- Ask landlord for rent reduction or restructuring to allow a short abatement period.
- Rent out unused space
- Reduce personnel costs (*eliminate overtime, use part-timers, student interns*)
- Ask vendors and suppliers for trade discounts
- Sell unproductive assets

Manage Inventory

- Review inventory levels more often
- Liquidate everyone on the shelves over 90 days
- Sell outdated items at cost
- Restock shelves with faster-selling or higher profit items
- Buy using “Just-In-Time” ordering processes

Require Accurate and Timely Reporting

- Create and use financial statements
- Get involved – bookkeepers and accountants can’t do it all for you
- Forecast short-term cash flow

Checks and Balances are Critical

- Enforce cash-handling policies
- Reconcile cash register closeouts with bank deposits
- Develop new financial controls
- Prevent opportunities for embezzlement (*Divide financial responsibilities and functions, require checks to have 2 signatures, examine timecards and payroll records for accuracy*)
- Hold everyone accountable

Focus on Marketing

- Redefine your target market and consider new “niches”
- Look for complementary products/services to offer
- Leverage social marketing opportunities – are you on Facebook, Twitter, LinkedIn?
- Invest marketing dollars wisely
- Keep in touch with current and past customers
Thank them for their business, suggest another specific product or service, ask for referrals

Pay Attention to Your Retail Image

- Appearance counts - Clean it, paint it! Yes, the carpet might need attention too.
- Keep window displays fresh
- Add lighting to highlight product displays
- Pay attention to your [customer’s in-store experience](#)
- Use attractive and descriptive signage
- Train employees to deliver top-notch customer service

Be a Proactive Business Owner

- Invest time in preventing and/or solving problems
- Talk with other business owners – You are not alone!
- Communicate with customers, employees, and suppliers

SOURCE: John W. Parker, Jr., a Business Analyst from the Virginia SBDC Network. Learn more about the nationwide program by visiting www.asbdc-us.org.