

# THE PERIODIC TABLE OF CASH FLOW MANAGEMENT

THE SCIENTIFIC APPROACH TO MAINTAINING A HEALTHY CASH FLOW

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## ANALYSIS AND REPORTING

**Fo** **CASH FLOW FORECASTS** An up-to-date cash flow forecast will highlight any upcoming shortfalls and allow you to take steps to protect your position.

**Slr** **SALES LEDGER REVIEW** It's vital to always know when your customers are approaching and missing payment deadlines so you can take action.

**Ap** **ASSESS PERFORMANCE** Regularly assessing your performance will allow you to identify the root cause of any problems or inefficient processes.

**Rf** **REVIEW FUNDING** With the funding market constantly changing, switching facilities could lead to higher funding levels, improved service or lower fees.

**B** **BENCHMARK** With the market constantly changing, make sure you are still getting the best deal by regularly benchmarking suppliers.

## FUNDING METHODS

**Ov** **OVERDRAFT** Using or extending your business overdraft can provide a short-term boost to help you make purchases when cash flow is tight.

**If** **INVOICE FINANCE** If trading on credit terms is restricting your cash flow, invoice finance could quickly release funds from your invoices.

**A** **ASSET FINANCE** Purchasing new assets outright can restrict cash flow so consider hire purchase, finance leases or operating leases instead.

**Pp** **PEER-TO-PEER** P2P lending gives more established businesses the opportunity to raise funding from private investors.

**Ef** **EQUITY FINANCE** Achieve your growth objectives by raising capital from external investors in return for a share of your business.

**Pf** **PROPERTY FINANCE** For many businesses their property is their largest asset. Property finance could unlock some of this tied up cash.

**Bl** **BANK LOAN** If you need a cash flow boost it might be possible for your business to secure a short-term loan from your bank.

**Cc** **CREDIT CARD** This can be useful for a short-term cash flow boost – but be sure to pay it off on time or you could find yourself in even greater trouble.

**Abf** **ASSET BASED LENDING** With ABL you can advance funding against the value of raw materials, work in progress and finished goods.

**Cr** **CROWDFUNDING** By pitching your business idea to crowdfunders, interested parties can contribute a sum of money in return for equity.

**Tf** **TRADE FINANCE** Importers and exporters can get financial support and guidance to help keep cash flowing and safeguard their business.

**Gi** **GOVERNMENT INITIATIVES** There are a range of different grants, schemes and resources which could be available to your business.

## YOUR TEAM

**Cp** **COMPANYWIDE PRIORITY** Communicate your cash flow aims to your employees so that the whole business pulls in the same direction.

**Tr** **INVEST IN TRAINING** While experience is important, so is making sure your staff stay on top of any new tips and trends to improve efficiency.

**St** **INCENTIVISE SALES TEAM** Incentivise your sales teams once you've been paid. This ensures staff focus on those who are likely to pay.

**O** **OUTSOURCE** Outsourcing ensures your processes are in capable hands, reduces the need to recruit staff and brings added expertise.

**Dc** **DEDICATED CREDIT CONTROLLER** Hiring a trained credit controller will bring a focused collections effort that will improve results.

**Fd** **HIRE A PART-TIME FD** It's possible to hire a part-time FD to give you a fresh pair of eyes to help spot any cash flow issues before they arise.

## CREDIT CONTROL ACTIVITIES

**Ao** **ACCOUNT OPENING FORMS**  
Collecting details of key individuals will ensure you deal with the right contacts to avoid payment delays.

**Cs** **CREDIT SCORES** Assessing the creditworthiness of your customers via credit checks can protect your cash flow against late payment.

**Ep** **EARLY PAYMENT DISCOUNTS**  
Encouraging customers to pay early can overcome the cash flow gap that arises when trading on credit.

**Pr** **CREDIT CONTROL PROCEDURE**  
A clear procedure based on best practice can improve results and ensure a cohesive approach.

**Sl** **STOP LISTS** Persistently poor payers should be put on a stop list and refused further goods or services until they clean up their act.

**Tc** **TERMS AND CONDITIONS** Your T&Cs can be a very useful weapon in your company's bid to get paid on time and keep cash flow ticking over.

**Ca** **COURTESY CALLS** Contacting your customer throughout the credit period keeps your invoice front of mind to improve your chances of getting paid.

**Ct** **CREDIT CIRCLES** These allow you to share and access creditor trends with fellow companies to discover the creditworthiness of your customers.

## COLLECTION TACTICS

**In** **LATE PAYMENT INTEREST**  
Businesses have the legal right to charge their customers interest to cover the costs of debt collection.

**Lba** **LETTER BEFORE ACTION** If a customer avoids paying, informing them you intend to take legal action can encourage them to pay faster.

**Ccj** **COUNTY COURT JUDGMENT** A CCJ orders a customer to settle a debt, all the relevant costs and interest within a certain time frame.

**Dra** **DEBT RECOVERY AGENCY**  
Outsourcing overdue invoices to a collections agency will bring added expertise to the recovery process.

**M** **MEDIATION** Polite and professional mediation offers the greatest chance of resolving late payment situations whilst preserving customer relations.

**E** **ENFORCEMENT** Once you have a CCJ, you have the right to enforce it. Your options include Warrant of Control and Writ of Control.



## A fresh approach to debt collection

Get paid sooner with the UK's *outstanding* debt collection agency



Commercial Debt Recovery



Credit Control



Receivables Management

Hilton-Baird  
Collection Services

0800 9774848 | [collections@hiltonbaird.co.uk](mailto:collections@hiltonbaird.co.uk)

For more helpful tips and guides on how to improve cash flow please visit

[www.hiltonbairdcollections.co.uk](http://www.hiltonbairdcollections.co.uk)