



Checklist from www.planware.org

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Checklist for Improving Cash Flow

Note that all versions of [Cashflow Plan](#) contain a dynamic version of this checklist which is linked to projected values and ratios, and provides the basis for an ongoing cash flow improvement program.

Possible Measures	Assess Benefits <i>Tick box</i>	Do Now <i>Tick box</i>
1. Sales Related:		
Increase sales (particularly those involving cash payments).	<input type="checkbox"/>	<input type="checkbox"/>
Increase prices especially to slow payers.	<input type="checkbox"/>	<input type="checkbox"/>
Review the payment performances of customers with sales force.	<input type="checkbox"/>	<input type="checkbox"/>
Become more selective when granting credit.	<input type="checkbox"/>	<input type="checkbox"/>
Seek deposits or multiple stage payments.	<input type="checkbox"/>	<input type="checkbox"/>
Reduce the amount/time of credit given to customers.	<input type="checkbox"/>	<input type="checkbox"/>
2. Costs & Systems:		
Reduce direct and indirect costs and overhead expenses.	<input type="checkbox"/>	<input type="checkbox"/>
Use the 80/20 rule to manage inventories, receivables and payables.	<input type="checkbox"/>	<input type="checkbox"/>
Improve systems for billing and collection.	<input type="checkbox"/>	<input type="checkbox"/>
3. Credit Management:		
Bill as soon as work has been done or order fulfilled.	<input type="checkbox"/>	<input type="checkbox"/>
Generate regular reports on receivable ratios and aging.	<input type="checkbox"/>	<input type="checkbox"/>
Establish and adhere to sound credit practices - train staff.	<input type="checkbox"/>	<input type="checkbox"/>
Use more pro-active collection techniques.	<input type="checkbox"/>	<input type="checkbox"/>
Add late payment charges or fees where possible.	<input type="checkbox"/>	<input type="checkbox"/>
4. Purchasing:		
Improve systems for paying suppliers.	<input type="checkbox"/>	<input type="checkbox"/>
Increase the credit taken from suppliers.	<input type="checkbox"/>	<input type="checkbox"/>
Negotiate extended credit from suppliers.	<input type="checkbox"/>	<input type="checkbox"/>
Use barter to acquire goods and services.	<input type="checkbox"/>	<input type="checkbox"/>
Make prompt payments only when worthwhile discounts apply.	<input type="checkbox"/>	<input type="checkbox"/>
5. Inventory:		
Reduce inventory (stock) levels and improve control over WIP.	<input type="checkbox"/>	<input type="checkbox"/>

Sell off or return obsolete/excess inventory.	<input type="checkbox"/>	<input type="checkbox"/>
6. Investment:		
Defer or re-stage all capital expenditure.	<input type="checkbox"/>	<input type="checkbox"/>
Sell off surplus assets or make them productive.	<input type="checkbox"/>	<input type="checkbox"/>
Enter into sale and lease-back arrangements for productive assets.	<input type="checkbox"/>	<input type="checkbox"/>
Use leasing etc. to gain access to the use of productive assets.	<input type="checkbox"/>	<input type="checkbox"/>
Defer projects which cannot achieve acceptable cash paybacks.	<input type="checkbox"/>	<input type="checkbox"/>
7. Financing:		
Use factoring or discounting to accelerate receipts from sales.	<input type="checkbox"/>	<input type="checkbox"/>
Re-negotiate bank facilities to reduce charges.	<input type="checkbox"/>	<input type="checkbox"/>
Seek to extend debt repayment periods.	<input type="checkbox"/>	<input type="checkbox"/>
Net off or consolidate bank balances.	<input type="checkbox"/>	<input type="checkbox"/>
Defer dividend payments.	<input type="checkbox"/>	<input type="checkbox"/>
Raise additional equity.	<input type="checkbox"/>	<input type="checkbox"/>
Convert debt into equity.	<input type="checkbox"/>	<input type="checkbox"/>
Make medium- and short-term cashflow forecasts - update regularly. *	<input type="checkbox"/>	<input type="checkbox"/>

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