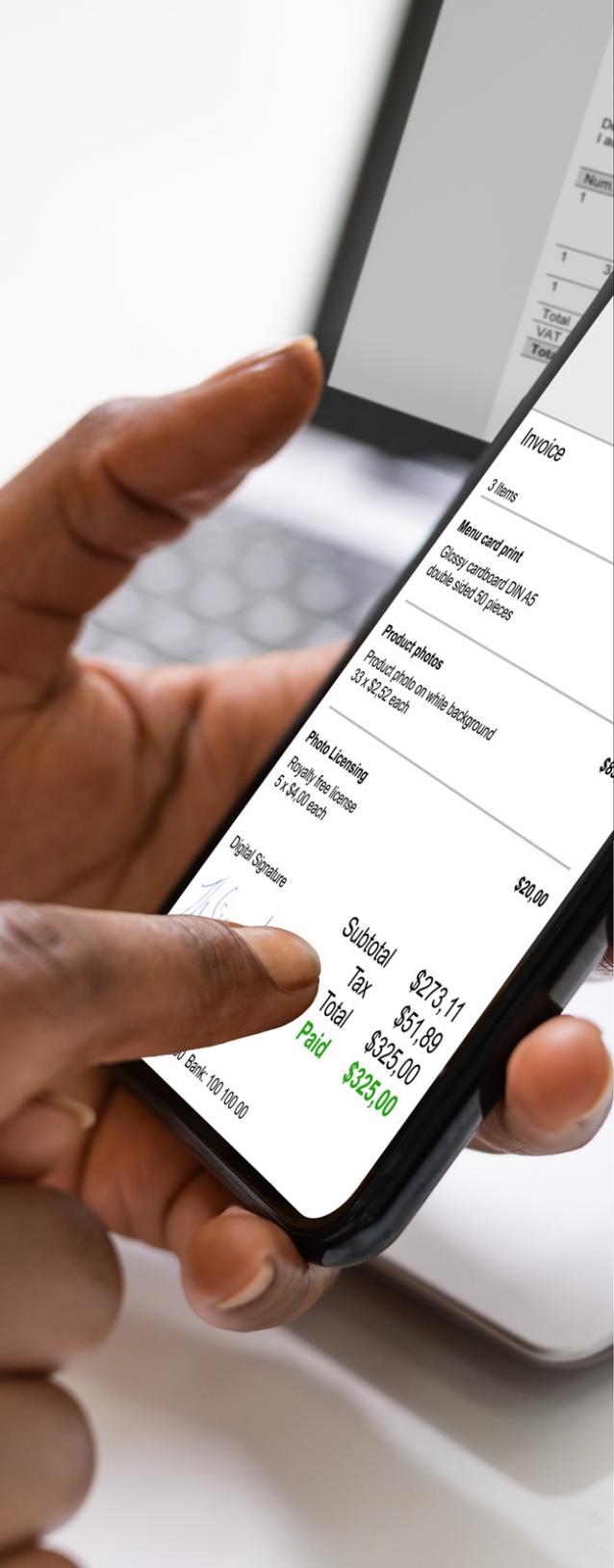


# 5 ways to improve your cash position in 2023

Support and advice from Credit Control Management Services Ltd

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## Introduction

If your business has grown, or you found financial administration difficult to manage last year then you are not alone.

A huge number of SMEs, whether working directly or as part of a subcontracted group, have struggled to get paid on time and in full in 2022 and this has impacted them enormously.

## Good credit control is essential to a healthy business

When lacking in available funds, how can you properly plan ahead? Recruitment, stock purchase and ability to upscale to meet new project objections is almost impossible without a sensible reserve.

Cash reserves are not meant to be used to forward pay your own business when your clients or customers fail to pay their invoice on time, but give you the scope to remain viable and in a good position to support your staff and grow.

## Break the chain

If you are looking to recover monies owed and want to ensure you do not have to risk relationships chasing for payments in the future, then read on.

To discuss any of these issues or tips at length, we are offering SMEs struggling to balance the books a FREE 1 hour consultation in which we will offer practical advice and help. Just get in touch.

# Thoroughly examine your processes

## Age

Most businesses start with simple documents and processes but over the years find that, even with additions and workarounds, they are no longer fit for purpose. Check that your details (and those of your clients) are accurate and that the terms and processes you put in place properly reflect the organisation you are running today.

## Relevance

Do you need to include additional margins as security for this project? Are the details of your projects and conditions of work still appropriate? Check your rates to safeguard the purchase of materials in this current economy. Make sure you date all communications.

## Understood

Ensure your customer confirms in writing that they have received your terms, understand them and are in a position to meet them.

Date and resend new documents promptly. Make sure you keep a record (ideally digitally) so you can make reference to them should you need to.

# get a credit check

## Fastest route to reduce risk

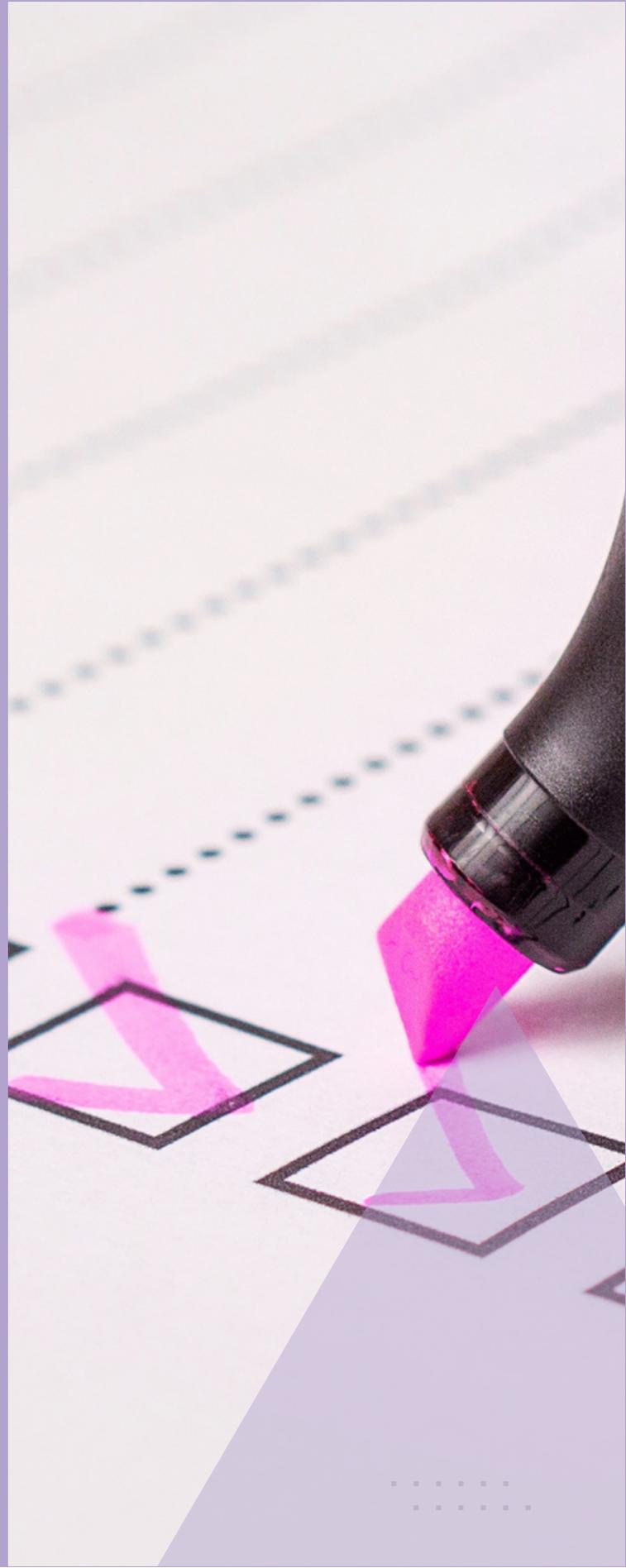
Getting a credit check, even for known and trusted companies is essential to ensure they can pay you at the time you have agreed.

Credit checks are quick and easy to do (we are offering a 24 hours check for a full report for £20\*).

## Good clients will expect it

It will reflect well on your business to carry out your due diligence and will strengthen your credibility with your customers. You should also consider a well planned and deeply detailed schedule of works which includes timelines and obligations in addition to a quote so everyone fully understands expectations.

- This offer is available Dec 2022 - March 2023)



# Keep the lines of communication open



## Stay in touch

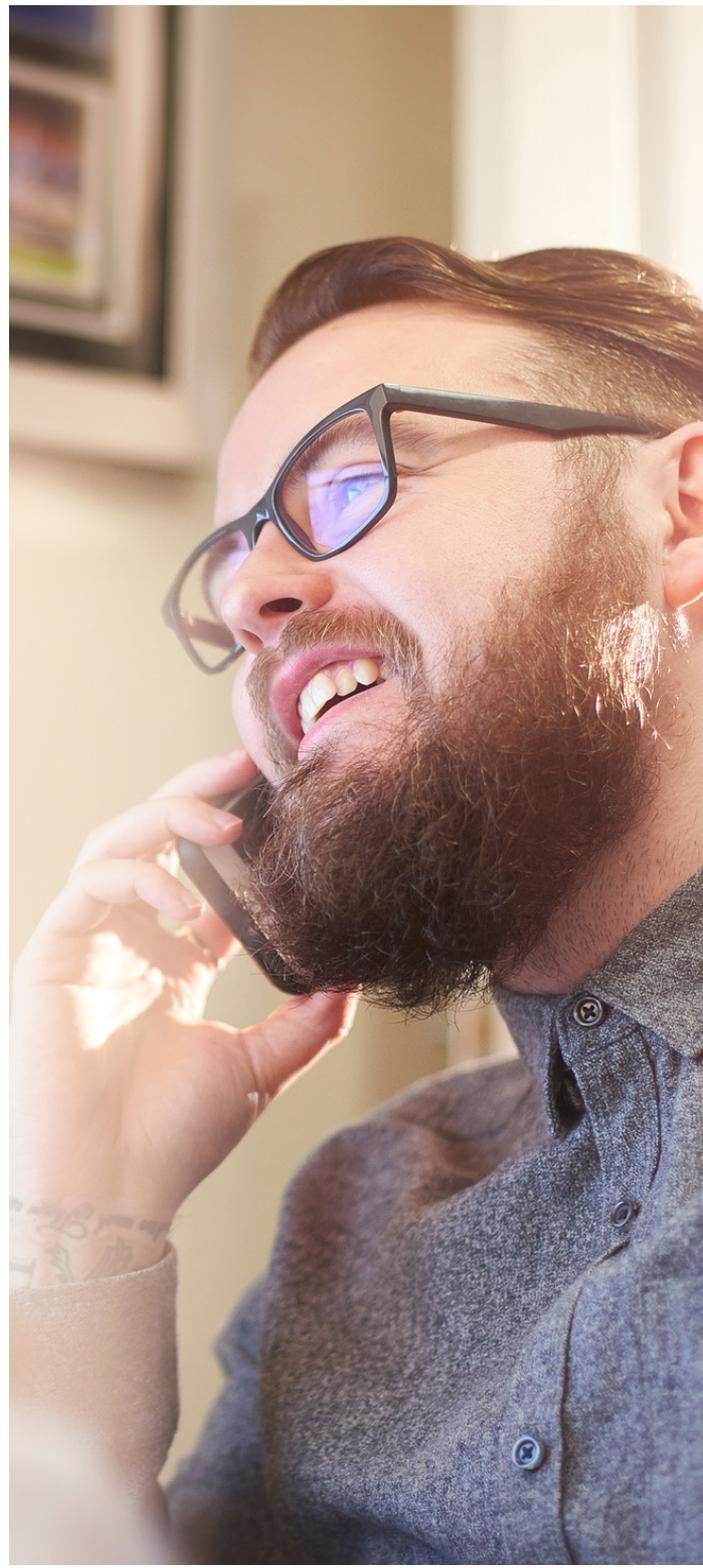
Keep regular contact with your clients so you can build a professional trusting relationship. Doing this means you can easily identify any early challenges without risking friction between your companies.

## Keep them posted

Many businesses are struggling financially (and this will only increase in 2023) so keeping close with your customers and keeping them updated on costs, timings and your terms will serve you well should they need to address a payment concern or issue.

## Send reminders

Let them know your terms in writing and don't be afraid to send reminders, which could also encourage early payment so you don't have to pass the payment date before having to chase for payment. Most good accounting systems can be automated to do this for you.





# Plan ahead

## Know your numbers

In order to avoid nasty surprises or particularly tough cash flow months, carefully plan ahead and map your expected income. You may be able to identify critical payment dates that need closer monitoring, or see a pattern of challenges with customers which will prompt you to get in touch and smooth the process before it becomes an issue.

## Build in additional cash

By harvesting a slightly higher % out of each invoice, you can slowly build a reserve that you can rely on should you need to enter an issue of delayed payments or seasonal slow periods.

## Research your customers

Perform a credit check and explore any relationships you can easily find to understand how your customer likes to operate. If they have a notoriously slow financial department, build a good relationship with them, aside from your direct client, so you can adjust any terms of processes either end to mutual benefit.

## Prepare invoices in good time

Don't wait if you have a large invoice. Get it into the system and send notifications ahead of time to give customers the opportunity to organise their own cash position should they need to.



# Be flexible with terms and payment options

## **Unpaid invoices as credit**

Is this an option for your business? If you are transparent, able to detail an agreement in writing and it suits your cash position, this is a good route to maintaining projects and relationships with risking your own financial position further.

## **Consider a payment plan**

If a customer expresses a need to delay payments, perhaps consider an extended payment plan, with lower value over a longer period of time. Ensure this is detailed and agreed with the client and send early reminders ahead of each to keep them mindful of your agreement.

## **Make it easy to pay**

Do your customers like to pay Online? Direct from invoice? Via a Cheque? Remain open and flexible. The easier it is to pay, the more likely you can avoid delays and the administration time needed to chase payments.

We hope  
this helps.

Please reach out if you need any advice support.

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Contact us for help with

Full or part credit control support from £250.00 per month / Credit  
Checks / Trace / Debt collection / Mediation / Process review