

No Room To Cut Expenses ?

Check all that apply on this handy worksheet

- I. Credit Policy, Do you
 - A. Invoice promptly?
 - B. Provide clear information about terms and collections polices?
 - C. Do you regularly follow up on delinquent customers?
 - D. Check credit references
- II. Cash Flow, Do you
 - A. Understand your sources and uses of cash?
 - B. Take advantage of discounts?
 - C. Pay bills when they are due?
 - D. Use dating plans to your advantage?
 - E. Buy only what is needed - when it is needed
- III. Payroll and Employees, Do You
 - A. Have a clear policy on repair work that has to be done over a second time?
 - B. Before hiring new employees, consider: Overtime? Part time help?
 - C. Pay all your employees on the same day
 - D. Check starting times and quitting times
 - E. Check length of break, lunch and personal time
- IV. Inventory controls, Do you
 - A. Check your security to prevent theft
 - B. Calculate in the cost of inventory
 - 1. Storage
 - 2. Handling
 - 3. Insurance
 - 4. Taxes
 - 5. Obsolescence
 - 6. Etc.
 - C. Regularly check the turn rate on your inventory
 - D. Adjust inventory levels relative to your needs
- V. Marketing Plans, Do you
 - A. Have clear policy on returns
 - B. Make sure that sale promotions will work and have a way to end them if they don't work
 - C. Train sales people to sell accessory items
 - D. Demand quality and courteous service for your customers
 - E. Train employees who deal directly with customers to maximize their positive initial impact
- VI. Purchasing Cost, Do you
 - A. Control the items purchased to the necessities?
 - B. Insure all major purchases are competitive?
 - C. Eliminate unprofitable products or lines from your business?
 - D. Maintain good working relationships with your vendors
 - E. Consolidate vendors
- VII. Other, Do you
 - A. Avoid early payment of expenses, i.e. a years supply of _____?
 - B. Avoid unnecessary improvements?
 - C. Keep good records?
 - D. Avoid volume purchases?