



KITTY'S PURR-FECT NINE LIVES GUIDE TO SURVIVING THE FINANCIAL TURMOIL

Like any good cat Kitty has just nine lives, so to survive it is essential that you look after them well.

1

Manage your cash

Cash is always king, the very lifeblood of your business. Always ensure you understand it, what is going out and what is coming in. Know where you are now and what is going to happen to your cash flow over the coming weeks and months. And, make sure it is always up to date - things change rapidly. Review it daily.

2

Manage your credit

Every time you give credit to a customer you are taking a risk. Make sure you understand that risk and closely monitor to ensure you are paid – on time. Undertake regular credit checking and never give credit unless you are comfortable you will be paid. Avoid getting caught in a squeeze with suppliers giving you less credit and customers taking more – your cash flow will soon start hurting!

3

Look after your team

Your team is always critical, but now more than ever. The last thing you need is an important employee leaving for greener pastures. Focus on keeping morale high and everyone effective and efficient. Avoid waste wherever possible and reward success and good contributions. Don't cancel the Christmas Party! Also, keep looking out for ways to improve systems and processes so that you are less people reliant.

4

Control those costs

Take a long hard look at those costs and expenses. Are you buying effectively, do you really need everything you are paying for. Cut out the luxuries! Also, remember that when you are asked to sign the cheque it is too late the money has already been spent – you need to know who is signing the orders. Look at your procurement policies and check who has the authority to spend your company's money and to what level!!

5

Make sure your bank is your best friend!

It might seem a strange thing to say, but it is essential. The banks are looking hard at all their lending to businesses and the risks they perceive they are taking. There are already signs that facilities are being withdrawn sometimes without notice. Make sure it won't happen to you by ensuring that you don't give your bank any reason not to think you are the purr-fect customer! Send them all the information they require on time, keep close to your manager, meet them regularly and make sure he/she has everything they need!

6

Keep close to your customers and suppliers

It is a rapidly changing world, what seemed good yesterday may not be today. The last thing you need is for a customer or a supplier to fail on you. Make sure you keep close to all your key business relationships so that you can see any early signs of trouble. If things do seem to be difficult – prepare - so that you minimise the damage, especially to your cash flow!



7 Protect your business

In hard times like these fraud increases. There is already evidence that this is happening. Make sure your systems and processes are strong enough that you can see any potential issues as soon as they raise their head and you can deal with them. Also look at your insurance, are you covering all sensible bases, including perhaps insuring your outstanding debtors with credit insurance – often a very wise investment.

8 Ensure you have good, meaningful information

It is always critical to make sure you have good, reliable, timely management information about your business. This should include regular (maybe daily or weekly) key “commercial” information about sales, order book and margins, and also a comprehensive monthly management information pack. Are you getting this, are you reviewing it fully and properly (it is not just a score keeping exercise) and acting on it. Are you happy with what you see?

9 Review the Big Picture

Even in these difficult times, planning is very important. Blow the dust off that old business plan and check that you are still on track, or even now on the right track! Remember the old adage, if you fail to plan you plan to fail! It may be that the present market creates new opportunities, or that the old ones are not so attractive now. Take some time out to explore the options, perhaps with a facilitator.

A LITTLE BIT ABOUT US

For businesses like yours, we build and manage the financial controls, systems and processes needed to put you in control. We also have extensive experience and solutions to managing companies through extensive turnaround situations, and in providing on-going “Finance Director” roles.

We can help your business in three main ways:

INTERVENTION

By actively working with you and your team our experienced finance managers can build and manage the financial controls, systems and processes needed to put you in control. We also work extensively with financially distressed businesses to bring them back to good health, and provide on-going part time “Finance Director” roles to supplement your in house skills.

THE OUTSOURCED FINANCE DEPARTMENT

An alternative to building the systems inside your business is to outsource all the workload to our experienced commercial team. *The finance team that your business deserves* will not only get all the finance administration right, but will provide you with the up to date financial information and strategic input that you need to stay in control of your business and on top of your game.

STRATEGIC AND BUSINESS DEVELOPMENT

Our “**JUST ONE DAY**” structured planning session is a highly effective and very powerful tool to help businesses deliver lasting results - including a workable plan to give the business a better future.

Remember – whilst your growing your business – who is watching your kitty?