

NEWSLETTER

Surviving The Credit Crunch...!

No matter what size your business is, the credit crunch is probably impacting you directly or indirectly.

For a small business in this economic environment, remember some basic fundamentals.....

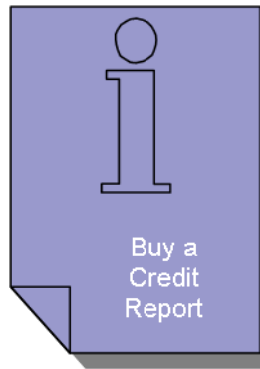
A sale is only a sale when an invoice is paid

Recognise that cash flow is the lifeblood of your business - it is an essential ingredient for business continuity and success

Spread your risk : be careful about having too many eggs in one basket. There are countless tales of smaller businesses going to the wall because a large customer accounting for a disproportionate amount of sales turnover did not pay on time.

Ensure your company has a signed contract with the customer that clearly states your payment terms

Set a credit limit for each new client



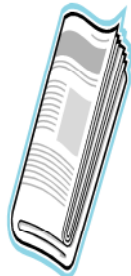
Buy a Credit Report

Don't rely totally on the taking up of two references given to you by the potential client.

Prevent excuses for delayed payment; after dispatching goods, ensure your customer has received them

Send statements at different times in the month to your invoices

If payment is delayed, chase your money by phone rather than by letter



Keep abreast of news that may affect the creditworthiness of your key clients. There is nothing worse than being the last to know when something has happened to one your key customers.



Try and establish a personal rapport with one or two people in your client's accounts department

