

# Sollertia's 10 tips to surviving the recession

## 1. Manage your **CASH**

Cash is KING! It's the lifeblood of your business. Ensure you understand it, review daily what cash is coming in and what cash is going out of your business. Make sure you know where you are today and what is going to happen to your Cash Flow over the coming weeks and months. Always keep up-to-date as things can change very rapidly especially in uncertain times like now.



## 2. Manage your **CREDIT**

Your business is taking a risk every time you give credit to a customer. Make sure you understand the risk and closely monitor it to ensure that you are paid on time. Efficient and effective credit control is a priority, approached in a regular and systematic manner, will avoid the 'squeeze' situation with suppliers giving you less credit and customers taking more — your cash flow will soon start to take a beating!



## 3. Look after your **TEAM**

Your team is now more critical than ever before. Imagine losing one of your most valuable employees or even worse losing them to a competitor! How would your business cope with out them? The main focus in the work place should be on keeping morale high which, in turn should boost employee effectiveness and efficiency. Don't cancel the Christmas Party but do stick to a tightly set budget. Try to avoid waste wherever possible and reward employee success and / or key contributions. Also look out for new ways to improve processes, procedures or systems so that you are less people reliant.



## 4. Control your **COSTS**

Regularly review and look at your businesses costs and expenses. Ask yourself the following questions; Are you buying effectively? Do you really need everything you are paying for? Do you really need to buy in bulk - is it worth the extra discount you may receive? It's almost essential that you cut out any luxuries! Also review 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 friend

In the current climate banks are looking harder at all their lending facilities especially to SME's. You need to convince your bank that the perceived risk they are taking with your business is low. There are signs in the financial industry that lending facilities are already being withdrawn to some customers. Make sure your business is not one of them by ensuring you are in regular contact with your bank manager. Keep them up-dated and send them all the information they require on time!



## 6. Keep close to your **CUSTOMERS & SUPPLIERS**

Change can and does happen fast! What seemed a good thing yesterday may not today. The last thing your business needs is for a customer or supplier to fail on you. Concentrate on keeping close to your key accounts / business relationships so that you can recognise any potential early signs of trouble. Be well prepared, then if things do get difficult you can minimise the damage that it may have on your business, especially to your Cash Flow!



## 7. **PROTECT** your business

It's common knowledge that in hard times fraud increases. Just pick up the business papers to see the evidence! Ensure that your systems are strong enough not to be breached. If you cannot do this, then it's vital that you have the processes in place that can quickly spot any potential issues that may occur. Also review your insurance policies, especially looking at perhaps insuring your outstanding debtors with credit insurance.



## 8. Ensure you have good, meaningful **INFORMATION**

Good, reliable, timely management information about your business is always critical. 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 obtaining this, reviewing it completely and correctly, and taking relevant action. Are you happy with what you see and understand?



## 9. **REVIEW** the big Picture

Planning is extremely important especially in these difficult times. Review that business plan that's gathering dust in your draw and check that your business is still on track and moving towards your goals. Are you even on the right track still? Remember that old saying, 'if you fail to plan you plan to fail!' Does your current market still look attractive? This could be the time to explore options and look at new opportunities in the market place, perhaps with a facilitator.



## 10. **ADVICE / SUPPORT / DEVELOPMENT**

**INTERVENTION**— Sollertia's experienced finance managers can actively work with you and your team to build and manage the financial controls, systems and processes needed to put you in control. We also have and do work extensively with financially distressed businesses to bring them back to healthiness, and provide on-going part time "Finance Director" roles to accompany your in-house skills.

**THE OUTSOURCED FINANCE DEPARTMENT**— Outsourcing all the workload to our experienced commercial team is an alternative to building the systems inside your business. We can 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. Also the finance team that your business deserves will get all the finance administration right and put your mind at ease.

**STRATEGIC MANAGEMENT & CONSULTANCY**— A structured planning session with Sollertia's "advisors" is an effective and powerful function to assist businesses deliver long lasting results - including implementing a workable plan to give your business a better and brighter future.



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