



## Maximize Cash Flow

- **Lower your overhead**
- **Work with reliable vendors**
- **Lower prices on slow-moving inventory**
- **Improve your cash tracking**
- **Invoice and collect promptly**

Your business needs a steady flow of cash in order to operate smoothly. Here are some tips for managing and maximizing your cash flow.

- **Look for ways to lower your overhead.** Shop for better pricing on what you buy. Cut back on non-essentials.
- **Work with reliable vendors** that deliver quality merchandise on time. If a shipment is late or of poor quality, you miss opportunities to sell your inventory and bring in cash.
- Make the hard decision, when necessary, to **lower prices** when items don't sell. You'll be able to recover your cash and put it into products that will sell more quickly.
- **Improve your cash tracking.** Create a monthly cash flow chart, showing when you expect cash to come in and go out. This will help you anticipate possible cash shortages. Streamline your bill collection process so that you get paid more quickly whenever possible. That way, you'll have your own cash to work with, rather than paying interest on borrowed money. Double-check your book-keeping to avoid fraud and overpayments.
- **Invoice and collect promptly** from your customers. Consider having a 14-day payment cycle rather than a 30-day payment cycle. Along with having a shorter payment cycle, be sure that your invoices permit you to charge interest for late payments. Be careful to track accounts for prompt payment. When you extend credit, you lose access to cash and the interest it may generate if invested. Follow past-due accounts closely. The more overdue an invoice is, the less likely you are to collect it.

We invite you to contact Wells Fargo for further information and assistance. Visit our Web site at [www.wellsfargo.com](http://www.wellsfargo.com) or any Wells Fargo store.