

Managing your business cash flow over the holiday period

December is usually the busiest time of the year for retail and hospitality businesses. But businesses in other sectors often find that their sales slowdown and their customers stop paying them for a few months. So cash flow dries up.

Whether your business is large or small, well-established or in start-up mode, you need to take a planned approach to managing cashflow during the holiday season. Here are few tips for keeping on top of cashflow management during the Christmas/New Year holiday period.

Keep Invoicing In The Lead Up To Christmas

Don't let your business admin slip in the rushed lead-up to Christmas. This is the most important time of the year to stay on top of your invoicing. You may find that many customers will be slow to pay because their businesses are closed over the Christmas period.

Set Clear Expectations With Your Customers

Be clear with your customers that you expect them to pay within the pre-arranged credit terms over the Christmas period. Phone regular slow payers a few days before payment is due to confirm that they'll be paying on time. The phone is always a more effective method than email. If you're not comfortable having this conversation with your customers, your accountant or bookkeeper may be able to assist.

Service Business – Offer A Discount For The “Quiet Time”

If your business is usually quiet in January, why not offer your clients a 10% discount if they book you in for January? Why not offer them a 15% discount if they also refer a neighbour or a friend? Set whatever discount amounts work for you. This is the thing: A strategy like this will keep your business busy and some cash coming through during the usually quiet period.

Use The Quiet Time To Work On *YOUR* Business

If sales are a little slow in the lead-up to Christmas, use the time wisely to hit the ground running in the new year.

The pre-Christmas slowdown is a great time to work through the to-do list you've been compiling all year. This might include taking a thorough inventory, searching for more suitable lending alternatives, completing a comprehensive competitor analysis or researching the market for new products and suppliers.

Want To Talk?

Feel free to contact our office anytime by phone or email – We can't wait to provide you with better advice now for a beautiful future!