

**Some tips on 'Managing the Downturn' for GWE Business West  
Provided by Rupert Mullins TD FIPA, Benedict Mackenzie LLP, *Business rescue and insolvency***

1. Are you keeping in touch with your customers? They need to know you are there; otherwise they are likely to go anywhere that is cheaper.
2. Are all your customers paying on time? Keep up to date and on top of late payers. Chase them as soon as they pass your payment terms. Do not pander to their excuses or you will be the one with cashflow difficulties. It is probably a good time to look at your terms and conditions and that they are properly displayed with customers by talking to your professional advisors.
3. Are you negotiating better terms with your suppliers? Try and obtain longer payment terms with them. Your suppliers will want your business and if you have a good payment record they may listen to your request favourably.
4. Are you regularly reviewing your cashflow? Do you ensure that you anticipate large payments (e.g. quarterly VAT and monthly PAYE) and put aside funds to cover these? In addition have you thought about potential unexpected costs such as redundancies and put contingency plans in place for these and a decline in sales to enable you to survive until the market picks up?
5. Are you facing up to potential problems – not just ignoring them? By talking to your accountant or other independent adviser at an early stage you are more likely to have time to solve your problem or at least reduce the risks. You should not wait for your banker to say, “no”; or your customer to default on their debt.
6. You should concentrate on what you are good at and obtain advice on the areas that you are not good at to help you weather the current economic slowdown and to ensure you are well positioned when your market area picks up.