Like Minds

# Cash Flow Health Checklist for SMEs

Identify & Fix Common Cash Flow Problems Fast

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## INVOICING & PAYMENTS

- Do you send invoices immediately after delivering goods/services?
- Are your payment terms clear and consistent across all customers?
- Do you send automatic payment reminders before and after due dates?
- Do you offer incentives for early payment (e.g., discounts)?
- Do you charge late fees or penalties for overdue payments?
  Score: ___ / 5

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## INVENTORY MANAGEMENT

- Are you using inventory management software to track real-time levels?
- Do you regularly audit stock for slow-moving or obsolete items?
- Do you forecast demand using historical data and seasonal trends?
- Do you follow a just-in-time inventory strategy?
- Do you have a process for clearing out excess stock profitably?
  Score: ___ / 5

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## CREDIT CONTROL

- Do you have a formal credit policy in place for customers?
- Do you run credit checks before extending terms?
- Are you actively monitoring overdue accounts?
- Do you set and enforce credit limits?
- Do you use invoice factoring or short-term finance when needed?
  Score: ___ / 5

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## RECURRING COSTS & SUBSCRIPTIONS

- Do you review monthly subscriptions and recurring expenses quarterly?
- Have you identified and eliminated underused tools or services?
- Are you tracking expenses using tools like Expensify or Wave?
- Have you negotiated pricing for long-term or bundled services?
- Is someone responsible for managing software usage and renewals?
  Score: ___ / 5

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## SEASONAL CASH FLOW MANAGEMENT

- Do you maintain a seasonal cash flow forecast?
- Have you built a cash reserve from peak season profits?
- Do you adjust expenses during low seasons?
- Are you exploring season-neutral offerings to stabilise income?
- Do you have access to a flexible credit line or emergency fund?
  Score: ___ / 5

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## BONUS: CASH FLOW STRATEGY

- Do you review your cash flow statement monthly?
- Do you set cash flow KPIs (e.g., Days Sales Outstanding)?
- Is your team trained in essential cash flow awareness?
- Are you using forecasting tools for 3–6-month planning?
- Do you meet with a financial advisor or accountant regularly?
  Score: ___ / 5

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## Total Score: ___ / 35

Score Guide:

- 30–35: ✅ Strong! Your cash flow is healthy and under control
- 20–29: ⚠️ Caution — there are areas to improve ASAP
- <20: 🚨 Red flag — your business may be at risk of cash flow trouble