

Take Steps to Boost Your Business Profits

Keeping your company profitable when the economy slows down is a challenge for every business. You may be able to boost your bottom line with the following financial controls.

- * Watch your customer credit. Use an accounts receivable aging report to flag past due accounts. Follow up with a customer immediately when you spot a delinquent bill. Don't extend any more credit until the customer brings the account up to date.
- * Don't pay too quickly. Use an accounts payable aging report to keep money in your account as long as possible. Take advantage of early payment discounts if it makes sense. Otherwise consider using the full grace period to pay your bills.
- * Invest surplus funds. Keep most of your money in a business savings or money market account where it will earn interest until you need it.
- * Reserve cash for your short-term needs. Prepare a quarterly cash forecast report so you can anticipate cash shortfalls in time to carefully weigh your financing options. Establish a line of credit before you need it.
- * Reduce inventory. Create a tax deduction and free up valuable shelf space by donating obsolete inventory to your favorite charity. If your inventory includes slow-selling or high-cost items, consider making them special order items.
- * Control your labor expense. Provide adequate training for your employees. Cross-train every employee to do another's job. Ask your employees to make a list of their assigned tasks. These steps may help you eliminate paying for unnecessary work and create more efficient processes for getting a job done.
- * Resist the temptation to lower prices. Instead, look for ways to improve your product or your customer service to attract new customers and retain the ones you already have.

We can help with these and other profit-boosting ideas for your business. You may benefit from an operational analysis with trending and industry comparisons that we offer as a stand-alone service. A CPA / firm partner or senior manager discusses a customized written report with the business owner and recommendations to increase the bottom line. Contact us if you are interested. inquiries@mangoldcpa.com or 512-327-0909