





Notes

Your moderator today



Kristina Henare

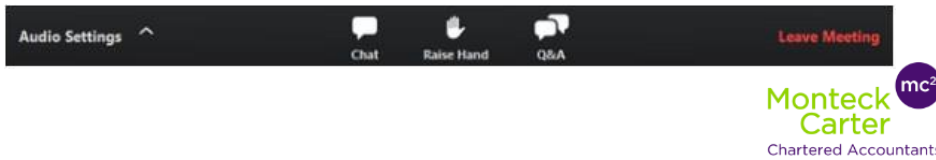
- Managing webinar questions
- Overseeing the running of webinar



Notes

Using Zoom features

- Select Audio Settings to select and test your speakers
- Submit questions via Q&A button
- Click Leave Meeting if you need to leave, you can rejoin using your link



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Today's panellist



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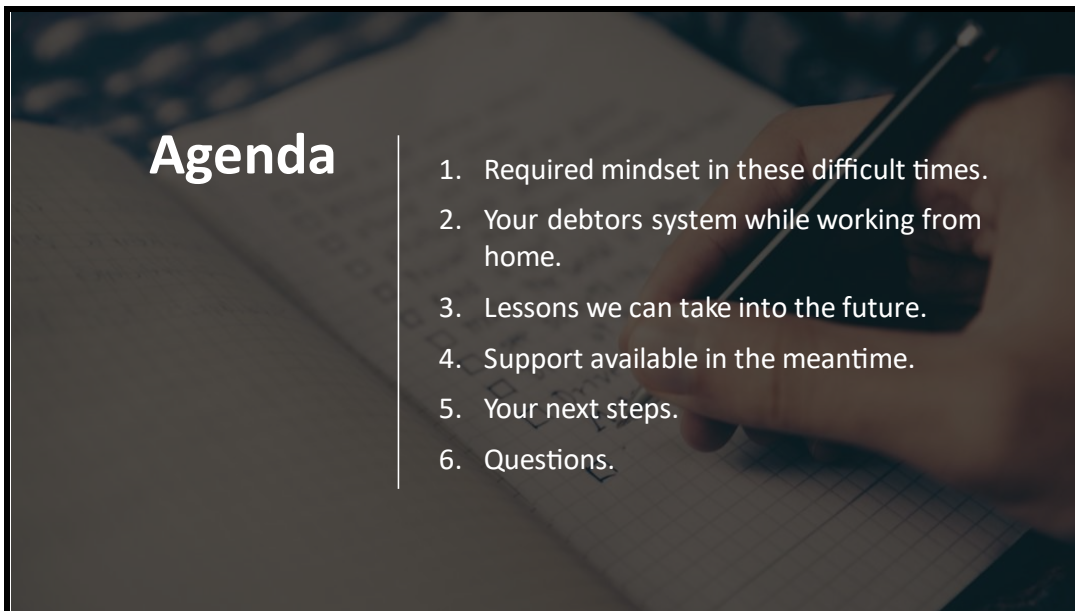
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Thought of the day...

“When a recession does materialize, many experts agree, ready cash is the oxygen that every small business owner requires to survive.” - Anon

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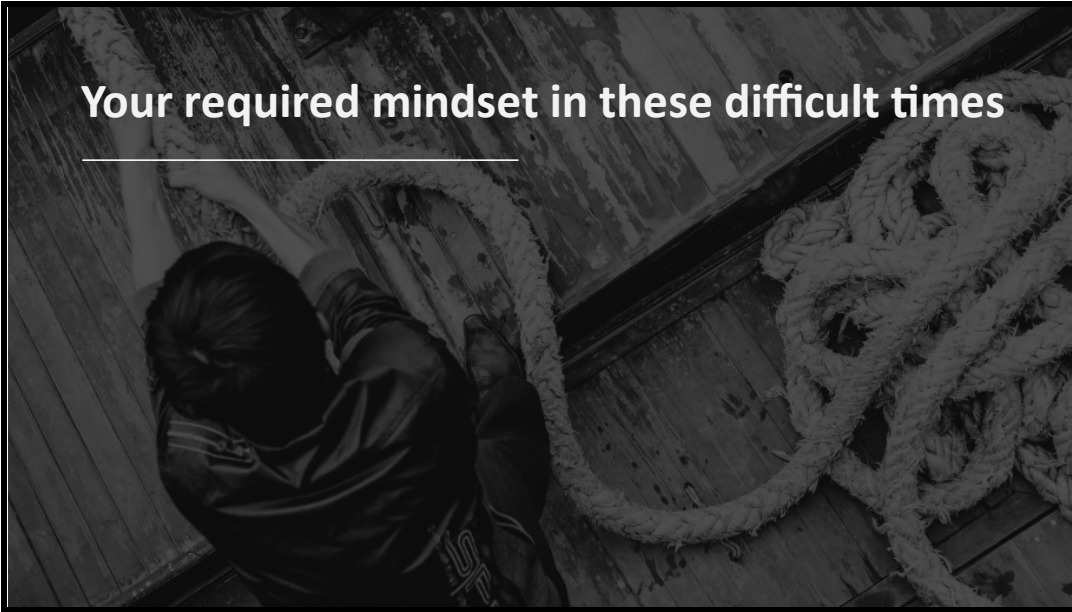


Agenda

1. Required mindset in these difficult times.
2. Your debtors system while working from home.
3. Lessons we can take into the future.
4. Support available in the meantime.
5. Your next steps.
6. Questions.

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Your required mindset in these difficult times



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Be empathetic

1. Ask your customers how they're coping.
2. Ask how their business is going.
3. Consider the loyalty they've shown you.
4. Give your customers options about how they pay you.



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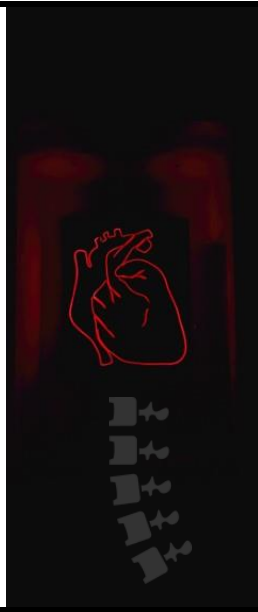
Have backbone and heart

Backbone:

It's ok to be paid for the value you provide you're running a business which is equally challenged in these times.

Heart:

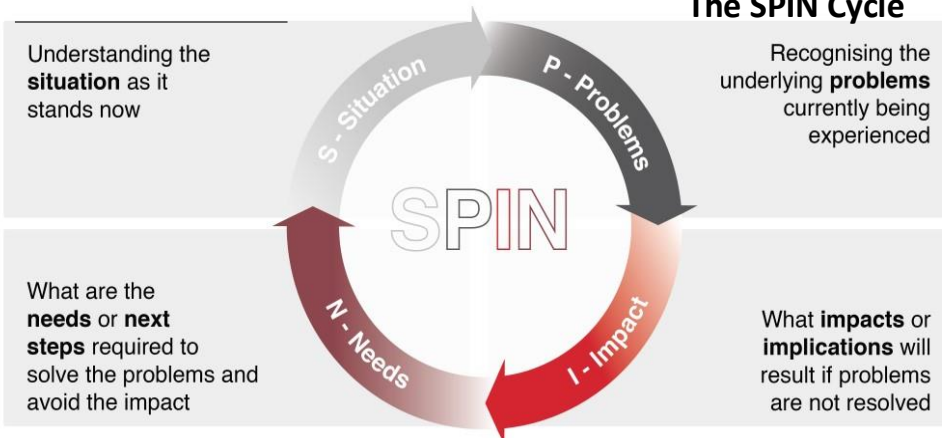
- Link to your purpose statement
- Consider all options for payment
- Be flexible and considerate in your approach



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It's ok to sell

The SPIN Cycle



The SPIN sales strategy comes from Neil Rackham's 1988 book, "Spin Selling" and is based on 12 years of sales research.

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Your debtors system

- Best practice
- Guides and scripts
- Credit control services

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Best practice

- Nothing should change - just dial up your empathy!
- Paperless invoices and statements
- Credit control flowcharts, scripts and templates
- Credit checks for new customers
- Outsourcing credit management



Notes

A guide and scripts

Accounts Receivable Call Scripts

This script is designed to help you negotiate faster payment with customers who are not paying their bills in accordance with your payment terms. These customers should be followed up as soon as possible. Remember to be empathetic when requesting payment and provide flexibility and options where possible. However, the goal is to get paid.

Hi, it's [Name] from [Company Name]. I'm calling to see how all working through the Covid-19 situation.

[Have a chat and find out how they're coping]

I'm also calling as our records show we haven't received pay a difficult time, but I was hoping you might be in a position to

[Pause and allow them time to process this and respond]

If they answer yes:

That's great, I really appreciate it. Would you prefer to pay b

If direct credit: Great, I'll send you our bank account informat your deposit.

If credit card: Great, do you have it on you now so you can g the payment straight after this call.

Thanks for working with us to resolve your payment so quick

Credit Management Guide

Overview

The impact of Covid-19 and the resulting lockdown means that it's more important than ever to ensure that you're getting paid.

This guide has been designed to support you to manage your accounts receivable and ensure you're getting paid as much as possible. It focuses on key processes that can reduce your business's exposure to credit risk, including your Terms of Trade, how you conduct credit checks, how you bill and accept payment from customers, how you automate invoicing and payments, and how you manage your accounts receivable.

Your credit management strategy should focus on:

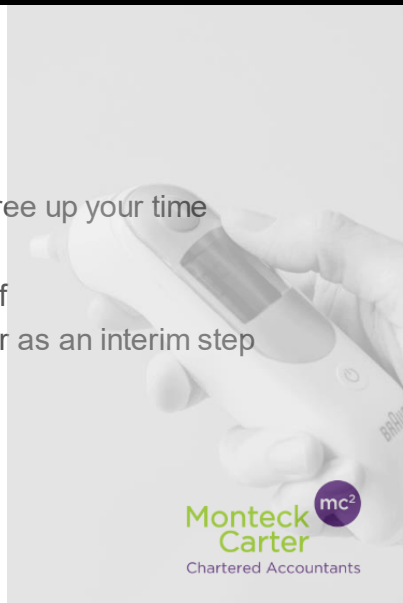
- Reducing the amount of financial risk your business is exposed to
- Increasing the likelihood your business will be paid on time
- Reducing the chances of cashflow disruptions caused by late payments and bad debts

A credit management review should focus on reviewing how you have provided credit to your customers in the past, acknowledging the weaknesses in your current systems, and improving your processes so that your business

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Credit control services

- Make a commitment to out -source and free up your time
- Build a relationship with your provider
- Not an ambulance at the bottom of the cliff
- Use content from us and a credit manager as an interim step



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Credit checks



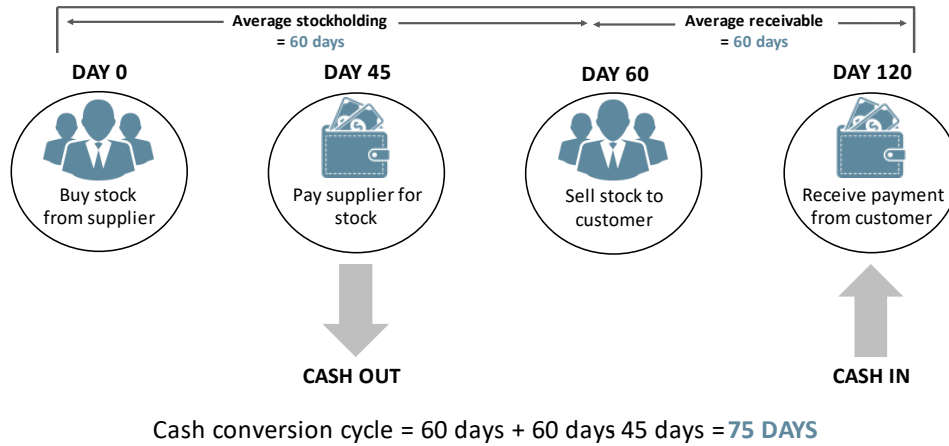
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Lessons we can take into the future

1. Your Cash Conversion Cycle.
2. Your Business 101 Cycle.
3. The 7 causes of poor cashflow.
4. Getting runs on the board quickly.
5. Bank assistance.
6. Government support and tax considerations.

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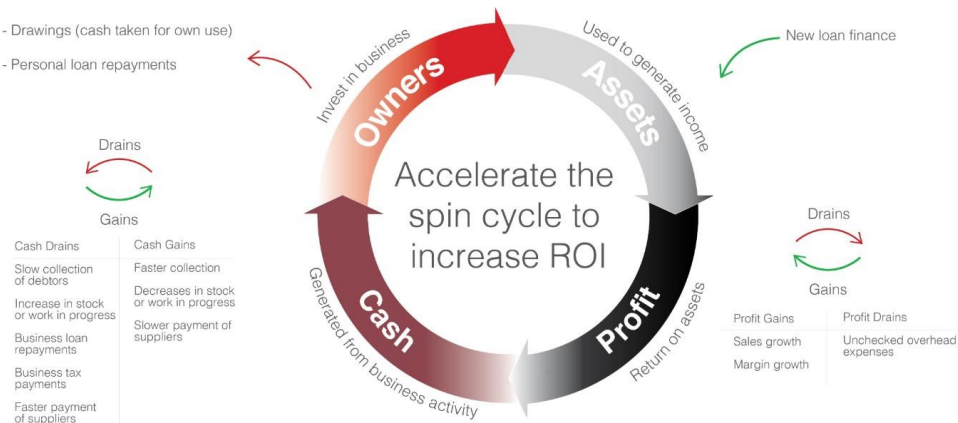
Your Business - Cash Conversion Cycle



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Your Business 101 Cycle

- Drawings (cash taken for own use)
- Personal loan repayments



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The 7 causes of poor cashflow

1. Accounts receivable process.
2. Accounts payable process.
3. Inventory / WIP process.
4. Inappropriate debt / capital structure.
5. Overheads too high.
6. Gross profit margin too low.
7. Sales too low.

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Getting runs on the board quickly

- Out-source credit management where you can
- Revised Terms of Trade / proposals
- Your billing process
- Automation
- Management controls / procedures



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Your Business - Bank assistance



- Increasing temporary overdraft facilities
- Review and extend trade credit
- Asset finance funding
- Loan repayment holiday, deferment of repayments, or interest -only terms
- Extension of term lending periods
- Short-term and hardship loans
- Short-term mortgage holidays
- Business credit card options

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Your Business - Government support and tax considerations



- Late payment of taxes
- Write-off / reduction of penalties or interest
- Instalment arrangements

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Your next steps

- Doing nothing is NOT an option
- Put the oxygen mask on yourself first
- Make a plan
- Surround yourself with experts
- Focus on what you CAN do

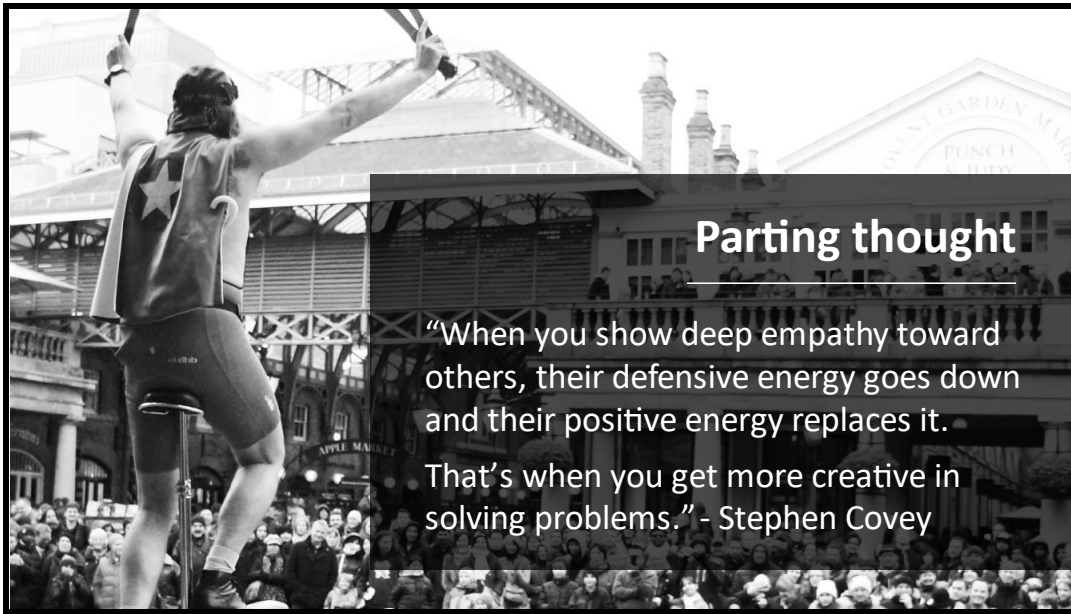


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How we can help you

1. Online Business Continuity Planning Session: \$1,250+GST
2. Online Business Continuity Plan Review Meeting: \$600+GST
3. Cashflow forecast: \$1,250+GST
4. Cashflow Management Coaching initial session: \$1,200+GST

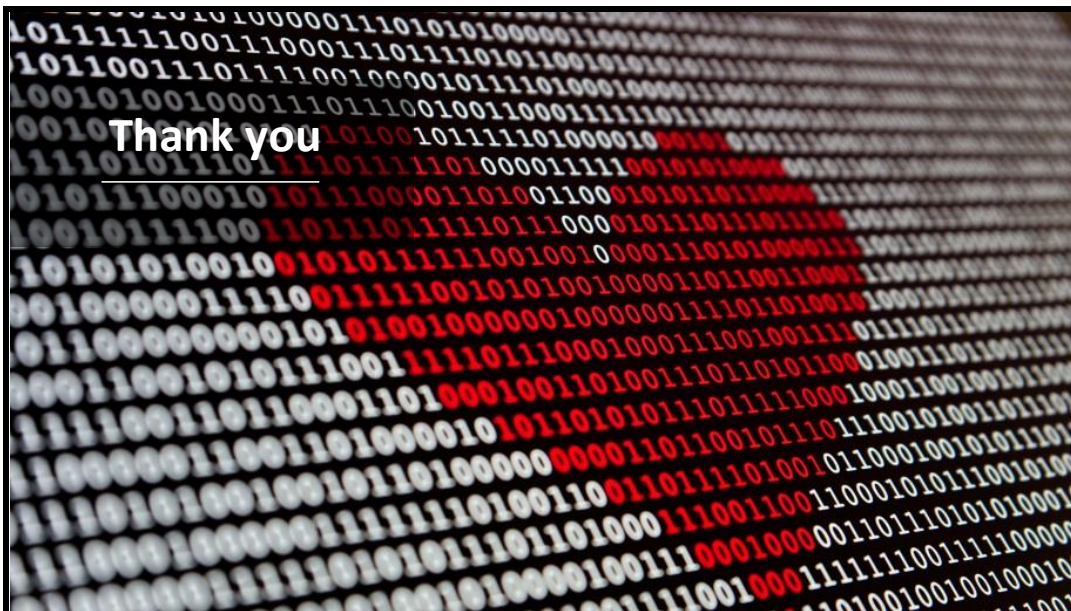
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Parting thought

“When you show deep empathy toward others, their defensive energy goes down and their positive energy replaces it. That’s when you get more creative in solving problems.” - Stephen Covey

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Thank you

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