



Spring Cleaning Your Finances: A Fresh Start for Fiscal Fitness

Spring is not just the perfect time to declutter your home; it's also a great time to tidy up your finances because a thorough examination can bring clarity and set the stage for fiscal success.

Here's your guide to spring cleaning your finances for a renewed and organized financial outlook:

1. Dust Off Your Budget:

Take a close look at your budget. Identify areas where you can trim expenses or reallocate resources. Consider any changes in income, expenses, or business strategies that may impact your budget.

2. Organize Your Financial Records:

Gather all financial documents, invoices, and receipts. Organize them systematically for easy access. Consider digitizing paperwork to reduce clutter and enhance accessibility.

3. Review and Update Financial Goals:

Assess your short-term and long-term financial goals. Have they evolved since the beginning of the year? Adjust your goals to reflect changes in priorities or market conditions.

4. Reevaluate Subscriptions and Services:

Review all subscriptions and recurring expenses. Cancel any services that are no longer essential. Negotiate with vendors for better rates or explore alternative, cost-effective solutions.

5. Check Credit Reports:

Obtain your credit report and scrutinize it for any discrepancies. Address any errors promptly and ensure your credit history is accurate.

6. Optimize Cash Flow with Invoice Financing:

Evaluate your cash flow needs and explore invoice financing options. Consider how invoice financing can provide a quick injection of funds to keep your business running smoothly.

7. Explore Tax Savings Opportunities:

Consult with your tax advisor to identify potential deductions and credits. Ensure that you are taking advantage of all available tax-saving opportunities.

8. Set Aside an Emergency Fund:

Reassess the status of your emergency fund. Aim to have three to six months' worth of living or operating expenses saved. Establish a systematic savings plan if your emergency fund needs a boost.

9. Review Insurance Coverage:

Evaluate your insurance policies. Ensure they align with your current needs and provide adequate coverage. Consider shopping around for better rates while maintaining comprehensive coverage.

10. Plan for Investments and Savings:

If you have surplus funds, consider investment opportunities or contributions to retirement accounts. Set savings goals for the upcoming months and allocate resources accordingly.

Spring cleaning your finances is not just about tidying up spreadsheets and balancing the books; it's about ensuring financial well-being and positioning yourself for success. Embrace the opportunity to reevaluate, realign, and refresh your approach to money matters. With a clean financial slate, you'll be better prepared to navigate the changing seasons of business and personal finance.

How to get Customers who Pay on Time

“Money is only a tool. It will take you wherever you wish, but it will not replace you as the driver.”-- Ayn Rand

Before banks extend credit, they undergo a due diligence process to ensure the applicant can repay the debt. When you sell on credit and extend 30/60/90-day terms, you practically lend money as part of the trade finance industry. Assessing creditworthiness should also be applied in this sector, but that is unfortunately not the norm. As a result, it is too familiar for companies to find themselves with bad debts and losses on their invoice receivables.

In this month's InfoPays, we are listing a few suggestions that you can implement in your business to ensure that you minimize any losses when selling on credit:

1. Check trade references.

When extending credit to customers, it is important to check the customer's trade references. This helps assess the customer's ability and willingness to pay and can help you make an informed decision. Checking references is a simple process that takes only a few minutes, but it can save you time and money in the long run.

When checking references, contact both current and past trade references to get a better understanding of their payment history. Ask questions about how long they have been doing business with the customer and their payment record. In addition, you should ask if there are any past due payments. This can give you an indication of how reliable the customer is when it comes to timely payment.

2. Research the company.

When offering credit to customers, a business must take the time to research each customer's credit history. This will help them determine whether the customer is a reliable borrower and if they can repay the loan. By taking this step, businesses can decide how much credit to extend and the repayment terms.

3. Access credit agencies' data.

Finally, you should also consider running a credit report through companies like DnB, Equifax and TransUnion. This allows you to verify the customer's credit history and get an overall picture of their financial standing. A credit report can provide you with more robust information, such as payment history and any public records that may be associated with the customer.

Our current clients can access the IPS Payment Index (PI) free of charge. Through dealing with thousands of companies across North America, the IPS PI provides the average Days Sales Outstanding (DSO), or the average number of days a company takes to pay its receivables. We encourage anyone seeking to extend credit to a new customer to check with us for information from our growing database as this can offer some information about a company's credit standing. A PI of 120 days will at the very least give you an alert, whereas a PI of 36 days will provide you with the much-needed reassurance to go ahead with the opportunity.

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