

WHOLESALE MANAGERS HOW TO KEEP YOUR CASH FLOWING

Cash flow management can be expensive, for lots of reasons. But it doesn't need to be that way if you have the right wholesale software in place.

Many businesses failed during the recession not due to poor management, but because of late or failed payments. Here, we show how widespread and serious the issue is and share the steps you can take to keep your cash flowing...

HOW MUCH DOES LATE PAYMENT COST UK SMES?

Customers are exceeding their credit terms by an average of **43.4 days**

The average overdue debt to a business is **£36k**

A total of **£36.4 billion** is overdue

Source: BACS

WHAT CAUSES CASH FLOW BLOCKAGE?



Errors in payment processing



Late customer payments



Tax payment deadlines



Bad debts

Chasing debts cost UK firms well over **£700 million** in 2012

Source: BACS

WHAT METHODS ARE UK FIRMS USING TO CHASE UNPAID DEBTS?

29%

Regular or continuous calling

21%

Putting customer accounts on hold

17%

Relationship building

10%

Having a good credit control team and process

10%

Clear terms and conditions and payment schedules

Incredibly, 13% of businesses say nothing can be done to minimise late payment.

Source: Forum of Private Business/Graydon

WHAT STEPS CAN YOU TAKE?

Keeping cash moving through the business means preventing blockages from occurring using wholesale distribution software to monitor the entire process from start to finish.

You can remove the risk of blockages with active credit control:

- Identify high-risk customers as early as possible
- Respond promptly to late payments
- Quickly spot and resolve mistakes

WHAT IS THE PROMPT PAYMENT CODE?

The Prompt Payment Code is a voluntary agreement that encourages organisations of all sizes to pay on time

IN 2008-2012

Signatories of the Prompt Payment Code, on average, paid their bills five days faster

Over the same period, non-signatories took 1.5 days longer to pay

Source: Experian
Source: www.promptpaymentcode.org.uk

HOW DOES WHOLESALE BUSINESS SOFTWARE HELP TO SOLVE CASH FLOW PROBLEMS?

Fully integrated and real-time cash flow management tools

Prevents deliveries to customers beyond their credit limits

Up-to-the-minute credit status reporting across multiple locations

Accurate recording of credit control activities

NEXT STEPS

Wholesale business software helps you to predict and prevent cash flow problems before they occur. By pulling data from across your business processes, wholesale IT solutions provide tools to highlight potential issues, giving businesses time to respond to potential cash flow blockages.

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