

Top 10 Tips – For turning my business around

Supplied by: *BRI Business Recovery and Insolvency*



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Directors are regularly faced with challenging decisions when it comes to running a business. At some point in the businesses life cycle, it will encounter a fork in the road, where the directors will need to make a major choice, which could make it or break it. Unfortunately, business can be cruel and sometimes you may be left saying “if only.....”

However, taking the wrong path doesn't automatically mean the company will become another insolvency statistic. At BRI Business Recovery & Insolvency, we firmly believe that liquidation is not your first option when a company is experiencing financial difficulties. There are some practical questions a business owner should first ask themselves before deciding on the next step:

1. Where can I improve cash generation or legitimately defer outgoings in order to improve the retention of cash in the company?
2. Where are the main risks in the business? Have I considered the consequences of unexpected events, such as, the loss of a valuable customer, or the withdrawal of bank support?
3. Which areas of the business should be pruned back or sold? Is that person, department, service or product adding real value at this point in time?
4. Do I know my monthly break-even point? Do I regularly monitor my income and expenditure to identify whether I am hitting this monthly target?
5. Which costs can be moved from being ‘fixed’ to ‘variable’?
6. How much do I owe HMRC? Do I have a history of non-payment of crown debts? Does my cash flow forecast take into account the timings of when tax would be payable in the future?
7. What can I do to cut my drawings from the business?
8. Who is my immediate competition? What are they doing and do I need to adjust my own business strategy to gain an advantage? Would increasing my marketing expenditure lead to stimulating additional income? How successful have previous marketing campaigns been?
9. Can I afford to take a long term view, without increasing financial risk? Is there an opportunity to diversify, in order to generate new revenue streams in the future?
10. What steps have I taken to consider alternative funding? Would the injection of additional funds resolve the current issue?

You need to be brutally honest with yourself. If you are at all unhappy with the answers to these questions, you should re-assess all of your available options, as failing to take proactive steps now will only result in more pain and fewer options later on. Simply crossing your fingers and hoping for the best is not an option.

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