

## A snappy Christmas message?

The Better Payment Practice Group (BPPG) has issued the following guidelines to help businesses keep the cash flowing over the Christmas period.

1. Be aware that without forward planning the Christmas close-down period can delay payment to your firm by more than 28 days;
2. Ensure that you are aware of your major customers' Christmas opening hours to avoid wasting time when chasing payments;
3. If payments from customers are due during close-down periods, attempt to negotiate earlier payment dates;
4. Do not let credit limits get out of hand because of extended payment times over the December and January period;
5. Do not get behind with your own invoice and statement schedules over the Christmas period;
6. New customers seeking large credit facilities over the Christmas period may be hunting for credit from unsuspecting (and busy) suppliers;
7. Ensure that you obtain as much information on new accounts, including credit checks, no matter how busy you are;
8. Do not supply new goods or services if your customer has exceeded reasonable overdue periods – regardless of their credit limit;
9. Plan and budget your own expenditure over this period because, inevitably, payment terms can be disrupted over December and early January;
10. Take action on those accounts that are beyond credit limits now. Do not wait until the New Year when your debtors will have other pressures.
11. Use the quiet, close-down period to review your terms and conditions, ensuring that they are up to date and that they include reference to interest terms;
12. Keeping to the above rules will ensure a Happy Cash Flow Christmas!

Stephen Lewis, member of the BPPG representing the Credit Services Association, commented: "It is easy for businesses to let their usual credit management practices slip as the festive season gets under way, so it's important that they take action now to prevent being the victims of late payment. A little forward planning by businesses can go a long way to ensure that, as far as cash flow is concerned, they start the New Year on the right foot."

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