

Cashflow and Cost Reduction Checklist

Activities



GENERAL		Check
1.	Forecasts: While it is difficult to predict business levels it is important to create monthly projections. This will help you to forecast the level of revenues and the associated costs with running the operation. The costs will include the variable costs with opening along with the fixed costs of the business (e.g., insurance, utilities, etc.).	
2.	Capex: Have you a plan for capital expenditure for the next three years? This not only relates to upgrading facilities but can also relate to cost saving systems or replacement of equipment with more energy efficient models.	
3.	Have you considered becoming part of a purchasing group? You might explore if it is beneficial to your operation?	
4.	Have you considered the changing needs of your business and your customers? This may require changing your opening/closing hours? This should be based on business needs and may help with reducing staffing requirements e.g., if you currently open at 9.00am but notice that the majority of visitors do not start arriving until 9.30am, have you costed the difference of opening at 9.30am? You may wish to consider a booking system for early/late opening/closing times.	
5.	Prepare monthly cashflows to ensure that you are managing working capital.	
6.	Review every cost line item. Is there an alternative? For example, can specific stock items be re-negotiated or sourced elsewhere at a most cost-effective price? Remember to consider cost/quality requirements.	

DIRECT COSTS		Check
7.	Can you reduce certain items e.g., changing from printed tickets to online?	
8.	<p>Determine the cleaning requirements. Who cleans the different areas of the operation and when do they do it?</p> <p>Is there a more efficient schedule?</p> <p>Consider the various areas within the food and beverage outlets and who cleans these and if there are quiet periods when this can be completed?</p> <p>Also consider the deep cleaning schedule.</p>	
9.	<p>If your activity has any food and beverage outlets, review each of your outlets and menus.</p> <p>Critically review each of your menus. Ensure your menu is accurately costed including all items.</p> <p>Can you reduce/change your menu offering to improve food GP?</p> <p>Ensure that each menu item is accurately costed and priced and that all food items/condiment/extras are included in the menu price.</p> <p>Review pricing from all suppliers and new/different options.</p> <p>When re-stocking kitchens and cold rooms, review projections and business levels to ensure, as much as possible a reduction in food waste.</p> <p>Have you costed alternatives to buffet/carvery offering, i.e., table service? Food GP will be different for breakfast buffet versus a la carte breakfast, for example.</p> <p>Can you reduce food costs? Are there local options available to you?</p> <p>Review all F&B consumables to see if there are any cost savings, e.g., napkins, condiments, etc.</p>	
10.	Ensure that good kitchen policies and procedures are in place and will be adhered to stock rotation, stock management, wastage, and portion control.	
11.	Ensure all purchases are checked and docketed.	
12.	Review all direct cost items to see if they can be reduced or changed? For example, literature that you may have given for free, can you charge for this or eliminate and have the information available online?	
13.	<p>Events: If you host private events prepare a breakeven analysis to show minimum revenues/sales/number of guests.</p> <p>Review payroll needs for operating/hosting events. Cost menus in relation to hosting a full even to help determine breakeven.</p>	

PAYROLL		Check
14.	<p>Review your full operational labour costs, by area.</p> <p>Review your fixed and variable payroll cost needs.</p> <p>Have you considered any potential additional training costs that may improve upselling or productivity?</p> <p>If hiring new staff ensure all costs are factored into this such as recruiting, uniforms, training.</p>	
15.	<p>Do you know all your staff costs?</p> <p>Review all staff costs to see if any excessive or unnecessary elements can be eliminated or reduced, e.g., motor expenses, additional uniforms, etc.</p> <p>What is necessary to attract and retain staff?</p>	
ADMIN AND GENERAL		Check
16.	<p>If Procurement/ Purchasing contracts exist, have you sought a reduction in base fees or membership fees?</p>	
17.	<p>Have you reviewed all leased equipment? this could include vehicles, IT rentals, printers/ photocopiers, merchant services, debit/credit card terminal rental fee, kitchen equipment etc.</p>	
18.	<p>Is it possible to change your credit card terminal for a more cost-effective option?</p>	
19.	<p>Have you reviewed all your subscriptions? Is it necessary to retain these? Can any be cancelled without any adverse effect to the business? For example, software, POS can you postpone upgrades, etc. If cancelling any POS or ticket/reservations software, ensure to enquire if you will lose your revenue history, as you may choose not to do this.</p>	
20.	<p>Have you reviewed all motor costs? If there are any costs that are not directly linked to the operation of the business these should be removed?</p>	
21.	<p>Talk to the bank to see about reducing bank charges. Have you engaged with other creditors? can you implement any payment plans to manage cashflow.</p>	
22.	<p>Can you reduce your telephone, print or postage needs?</p>	

SALES AND MARKETING		Check
23.	<p>Have you reviewed all advertising campaigns?</p> <p>Have you completed a return-on-investment review of all marketing campaigns to determine which ones deliver business?</p> <p>Are there any annual rolling advertising campaigns you should review to determine if they are worthwhile and if not that they should be cancelled/amended?</p> <p>Have you reviewed each of your staff roles within the department and their productivity? Are there tasks that can be subcontracted?</p> <p>Have you reviewed the time required for tasks? For example, what is the time required/allocated for digital marketing?</p> <p>Are there standard operating procedures that would help improve efficiency within the department? Consider all roles.</p>	
24.	<p>Have you suspended or sought reductions for any online advertising promotional memberships, subscriptions?</p>	
25.	<p>Review your social media presence and ensure the social media channels you are using are appropriate to your consumer.</p>	
26.	<p>Can you become part of a local marketing group? Can the cost of marketing be split with other local complimentary businesses to yours? E.g., visit to your activity with dinner in a local restaurant/hotel</p>	
27.	<p>Have you reviewed all your commissions? Can you negotiate any of these or have you reviewed the cost/benefit analysis of these?</p>	

	UTILITIES	Check
28.	Are there any 'green' efficiencies that the property can undertake to reduce costs? For example, using LED lighting.	
29.	Is large equipment operating efficiently? E.g., fridges, freezers. If these are not maintained well, they can cost more to operate.	
30.	Have you reviewed all operating equipment, particularly in the kitchen to determine the cost/benefit of purchasing newer more efficient models? This may be completed on a phased basis	
31.	Monitor oil prices.	
32.	Have you reviewed wastage levels and recycling?	
33.	<p>Review water consumption:</p> <ul style="list-style-type: none"> • Fix all leaks and consistently check water consumption to highlight any leaks as they occur. • Review ways of reducing water consumption such as low flow toilets. • Consider rainwater harvesting for outside landscaping maintenance (if applicable) • Discuss with local authority or Irish Water ways to help reduce water consumption. <p>Educate staff on how to minimise water waste</p>	
34.	As your contracts with each utility provider end, ensure that you renegotiate where possible and shop around for the best price/value.	
35.	Explore Maximum Import Capacity (MIC) usage in relation to electricity. MIC is the upper limit on the total electrical demand a business can place on the network system, so it should be high enough to meet the requirements of your business. Your electricity bill will show you what maximum MIC level you are guaranteed. It is important to choose the correct capacity for your premises. If the MIC is too high, you may be paying for more capacity than you actually require. If the MIC is too low; you may incur an 'Excess Capacity' charge. For more information, contact your provider.	

	REPAIRS & MAINTENANCE	Check
36.	Review all maintenance contracts and upon renewal obtain additional quotes to ensure best prices/value.	
37.	Review purchases to determine if the best product/price/value is being obtained for goods required.	
38.	Review areas/equipment requiring high levels of maintenance. E.g., if there is a regular call out on a boiler, then calculate the cost of replacing the boiler along with the reduced costs of operation and maintenance.	
	FIXED COSTS	Check
39.	Insurance: Speak to insurance broker/ insurance provider annually to obtain the best price. Ensure there are good health and safety policies and procedures in place.	
40.	Debt Repayments: Ensure you are having regular conversations with relationship managers/ funders/owners, e.g., banks, debtors, local authorities, Revenue, etc. to ensure that you are managing your repayment schedule.	
41.	Rent and Rates: Do you have a payment plan agreed so that you are managing cashflow	