

Cashflow and Cost Reduction Checklist

B&Bs, Hostels, Caravan & Camping, Self-Catering



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 dates for the property? This should be based on business needs and may help with reducing staffing requirements. E.g., if you offer onsite activities, can you alter operational hours to help reduce staff costs without impacting customer expectations? These can then be altered/extended as business levels increase and consumer requirements change.	
5.	Prepare monthly cashflows to ensure that you are managing working capital.	

DIRECT COSTS INCLUDING PAYROLL		Check
6.	<p>Accommodation: Review all consumables provided.</p> <ul style="list-style-type: none"> • Are additional room items required/expected? For example, can you reduce the number of complimentary magazines, etc.? • Linen/towels. Have you determined your policy for linen/towel changes? This will need to be reviewed and additional cleaning/changing may be required. • Have you costed how long it will take to clean a room/apartment? This is important to ensure you are pricing correctly to include the full cost of accommodation. • Have you costed all room consumables? • Do you offer single use bathroom products or 	
7.	Review all consumables/non-consumables to reduce or change where appropriate? E.g. paper goods, etc.	
8.	Ensure all purchases are checked and docketed.	
9.	Review your labour costs. Review staff tasks and productivity. Are there ways of reducing the time it takes to complete certain tasks? Are there more efficient ways of completing some tasks?	
10.	Have you reviewed all additional staff costs to see if any excessive or unnecessary staff costs can be eliminated or reduced, e.g., motor expenses?	
FOOD AND BEVERAGE		
11.	<p>If you provide a food and beverage offering (e.g., breakfast, snacks, dinner). Review your menus and outlets. Can you reduce/change your menu offering to improve food GP? Ensure that each menu item is accurately costed and priced and that all food items/condiment/extras are included in the menu price. Review pricing from all suppliers and new/different options. Have you costed alternatives, for example, outsourcing certain menu items? Review food wastage levels and look to ways to reduce this, e.g., portion control, packaging, cooking to order, etc.</p>	

BUSINESS COSTS		Check
12.	Have you reviewed all leased equipment? this could include vehicles, IT rentals, printers, merchant services, debit/credit card terminal rental fee, kitchen equipment etc.	
13.	Is it possible to change your credit card terminal for a more cost-effective option?	
14.	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?	
15.	Can you reduce your telephone, print or postage needs?	
16.	Have you reviewed your sales and marketing costs (e.g., advertising campaigns, Facebook, blogs, etc.) to determine what campaigns/promotions are giving you a return and which are not?	
17.	Have you looked into being part of a local marketing group? Can the cost of marketing be split with other local complimentary businesses to yours?	
18.	Increase your social media presence and ensure the social media channels you are using are appropriate to your consumer.	
19.	Have you reviewed all your commissions? Can you negotiate any of these? Or look at other reduced channels/booking engine?	
20.	Are there any 'green' efficiencies that the property can undertake to reduce costs? For example, using LED lighting.	
21.	Is equipment operating efficiently? E.g., fridges, freezers. If these are not maintained well, they can cost more to operate.	
22.	Monitor oil prices.	
23.	Have you reviewed wastage levels and recycling?	
24.	As your contracts with each utility provider end, ensure that you renegotiate where possible and shop around for the best price/value.	

BUSINESS COSTS (Continued)		Check
25.	Where possible seek to reduce your maintenance contracts but not at the expense of reduced service which may impact your building/equipment when re-opening or in the long term e.g., lifts, air conditioning, other equipment etc.	
26.	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.	
27.	<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 aerated shower heads for example, or low flow toilets • Consider rainwater harvesting for outside landscaping maintenance • Ensure swimming pools are well maintained to ensure no leaks • Discuss with local authority or Irish Water ways to help reduce water consumption <p>Educate staff on how to minimize water waste</p>	
FIXED COSTS		Check
28.	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.	
29.	Rent and Rates: If relevant, do you have a payment plan in place to ensure you are managing cashflow.	