



BROIDE & CO.
Certified Public Accountants (Isr.)

NAVIGATING YOUR BUSINESS AND FINANCIAL MATTERS: 10 TIPS

Dear Client,

The current world economic crisis is just a reminder of the importance and benefits of having a sound strategy that you can use to navigate your business and financial affairs. Don't hesitate to contact us for objective assistance in helping you make financial decisions. In the meantime, below are some tips to help you assess your current financial condition and start rethinking your business plan to face the economic challenges.

1. To get a better sense of where you stand, begin by reviewing your cash position and anticipated cash needs. Are they in line with your business' short-term needs, goals and risk tolerance?
2. Take a fresh look at your monthly income and expenses. Have you been meeting your budgeted projections? What are your cash-flow needs for the next 90-180 days?
3. Eliminate your reliance on credit by disciplining your spending.
4. Refocus on your balance sheet and how much credit you are extending to customers.
5. Keep an eye on your accounts receivable. Watch for new patterns of slow payments and follow up immediately. Keep receivables aging current at all times.
6. Manage accounts payable more closely. Keep payables aging current at all times because that's an important tool for managing cash.
7. Analyse your expenses and determine which ones can be controlled (e.g. credit card companies, cellphones and banks). Can you reduce spending in any areas to put less of a burden on your cash-flow needs? If you are a manufacturer, review inventory management practices. Are there opportunities to reduce your on-hand inventory? Service companies should make sure they're capturing all their billable hours and invoicing promptly.

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8. Don't engage in panic selling of your investments. Make sure your portfolio is diversified and in accordance with your risk tolerance.
9. Re-think your business strategies and update projections. Review your product/service lines to identify the most profitable items and determine how to leverage for future growth in profits.
10. Contact your good customers. Even casual discussions can lead to new business opportunities.

Finally, remain focused on your own advantages. Remember that:

- Small businesses have greater flexibility and can more easily adjust to changes in the economy than their larger counterparts.
- Small business owners can use these times as an opportunity to buckle down, refocus, assess and make their company more financially sound, disciplined and less reliant on credit.

As always, do maintain communication with us.

Have a good Summer.

Warm regards,

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