

Stressed businesses in survival mode often struggle with cash flow, making it difficult to continue trading. The first priority is financial stability.

This checklist outlines six essential steps to strengthen your business, overcome challenges, and set the foundation for future growth. Each step builds upon the last, helping you stabilize, adapt, and ultimately thrive in a changing market.

## ✓ **Identify the problem**

- Highlight key issues and risks
- Set up demand drop triggers and red flags
- Ask staff for insights and feedback
- Conduct a SWOT analysis
- Identify cost-saving opportunities

## ✓ **Find cash**

- Improve liquidity and forecast cash flow
- Tighten payment terms and conduct credit checks
- Set credit limits and require applications
- Actively collect outstanding payments

## ✓ **Sell more**

- Strengthen relationships with existing customers
- Ask for referrals and increase new leads
- Identify alternate revenue streams
- Diversify products or services
- Form strategic partnerships and collaborations

## ✓ **Check your marketing**

- Review target market and pricing strategy
- Make sure promotions are effective and measurable
- Gather and act on customer feedback
- Strengthen customer loyalty programs
- Optimize social media and strategic alliances

## ✓ **Change your business model**

- Monitor industry trends and shifts
- Explore new sales and distribution channels
- Adapt business strategies based on market needs
- Leverage your ecosystem
- Determine when structural changes are necessary

## ✓ **Restructure**

- Conduct a thorough audit and reassess operations
- Secure funding for necessary changes
- Eliminate unprofitable products or services
- Adjust staff mix
- Consider mergers, acquisitions, or strategic pivots

## Identify the problem

### Highlight key issues and risks

External factors like economic shifts, new regulations, or supply chain issues can disrupt business. Internal risks include late payments, rising costs, cash flow shortages, or outdated technology. Cyber threats, equipment failures, and legal disputes can also create unexpected financial strain.

Address these risks by securing business insurance, maintaining a strong Business Continuity Plan, and backing up critical data. Strengthen cybersecurity, build relationships with alternative suppliers, and adopt flexible financial strategies to improve resilience.

### Set up demand drop triggers and red flags

A drop in leads, fewer customer inquiries, and lower conversion rates may signal trouble. Slowing inventory turnover, reduced web traffic, and declining social media engagement can indicate weakening demand. Internally, falling margins, high staff turnover, and increased complaints may point to operational issues.

Monitor key indicators and compare them to past performance or industry benchmarks. If trends decline, investigate the root cause and adjust your marketing, customer service, or operations accordingly.

### Ask staff for insights and feedback

Your team interacts with customers daily and can identify inefficiencies, pain points, or emerging problems. Their feedback can reveal process bottlenecks, customer frustrations, or operational weaknesses that leadership might overlook.

Encouraging staff participation in problem-solving builds engagement and a sense of ownership. Employees who feel valued are more invested in improving business performance and resilience.

### Conduct a SWOT analysis

A SWOT analysis (Strengths, Weaknesses, Opportunities, and Threats) can help you gain an overview of your business and visualize where you and your competitors fit in your selected market. Completing the analysis can help you identify what is going right and what needs to be improved.

## Identify cost-saving opportunities

Cutting unnecessary expenses strengthens financial stability. Review major costs and consider subcontracting, eliminating low-performing products, or automating processes to save on labor and materials. Audits can uncover waste, unused subscriptions, and excessive energy costs.

Streamlining operations, optimizing marketing spend, and maximizing tax-deductible expenses improve efficiency. Using accounting software helps track spending and identify further savings opportunities.

## Find cash

### Improve liquidity and forecast cash flow

Free up cash by managing inventory efficiently, as holding too much increases costs. Sell unused assets, lease equipment instead of buying, and negotiate longer supplier payment terms. Selling excess inventory at a discount is better than letting it sit idle.

Use forecasting tools to predict cash shortages and adjust spending accordingly. A financial advisor or accountant can help determine cash needs and strategies. Knowing your breakeven point allows you to test different pricing, cost, and margin scenarios for a faster recovery.

### Tighten payment terms and conduct credit checks

Encourage immediate payments by accepting credit cards, setting up automatic debits, and requiring upfront deposits for large jobs. Switching from credit sales to cash sales stabilizes cash flow. Online banking and integrated payment requests speed up transactions and reduce delays.

Reduce late-payment risks by conducting credit checks before offering terms. Relying on one large customer or extending credit to friends and family can tie up cash. Diversify your client base to spread financial risk.

## Set credit limits and require applications

Credit limits prevent overdue balances from growing. Set automatic stop-credit on overdue accounts and train staff to handle credit-limit discussions professionally. Automated reminders can notify customers as they approach their limits.

Require credit applications and run checks before extending credit. Not all businesses are reliable borrowers. Assess creditworthiness carefully to prioritize collections and minimize exposure.

## Actively collect outstanding payments

Follow up on overdue payments promptly, starting with polite reminders. If needed, escalate with calls, emails, or in-person visits to negotiate solutions, such as credit card payments or installment plans.

Persistent follow-ups signal seriousness. If payment remains unresolved, notify the customer before involving a collection agency or legal counsel. Clear communication can often lead to resolution without legal action.

## Identify future cash flow gaps

Analyze different cash flow scenarios to prepare for potential downturns. Identify costs you can cut, expenses that will decrease with lower sales, and strategies to extend your cash runway.

If fixed costs remain too high, consider reducing staff, relocating, or discontinuing unprofitable product lines. Proactively planning for downturns helps stabilize operations and improve long-term resilience.

## Sell more

### Strengthen relationships with existing customers

Increasing revenue starts with your best customers, those who buy often, pay on time, and refer others. Since 20% of customers usually generate 80% of revenue, focus on cross-selling and upselling through direct outreach, special offers, and loyalty perks. Being transparent about business challenges may also encourage their support.

Lock in customers with contracts, subscriptions, or by making your product essential to their operations. The more integrated your offering is in their daily workflow, the less likely they are to switch to a competitor.

### Ask for referrals and increase new leads

Referrals are powerful because people trust recommendations from those they know. Many customers are willing to refer if asked, and every new lead increases sales opportunities. Engaging with your network, whether in person or online, can generate valuable word-of-mouth business.

To attract new customers, attend industry events, optimize your website, and expand marketing through online ads, social media, and free trials. Hosting webinars, speaking at events, and leveraging new distribution channels can further drive visibility.

### Identify alternate revenue streams

Monetize unused assets, such as renting equipment or licensing IP. Introduce new products, services, or expand into new markets. Online stores, digital products, and subscription models offer fresh revenue options.

Shift parts of your business online, target new customer segments, or sell via online marketplaces. Use social media platforms like Facebook, Instagram, and LinkedIn for increased exposure and direct access to buyers.

### Diversify products or services

Offering new products or services can attract more customers and increase sales. Identify gaps in your line-up and consider what existing customers need. Partnering with complementary businesses can help you expand reach without large upfront costs.

Consignment-based selling allows you to provide new products without purchasing inventory upfront, earning a margin on sales instead. This approach minimizes risk while still diversifying your offerings.

### Form strategic partnerships and collaborations

Strategic partnerships include finding a complementary business with similar customers, that will on-sell your product or service.

Identify possible business partnerships that demonstrate capabilities to add value to your company, whether that's marketing, licensing, supply chain and distribution, technology, or research and development.

## Check your marketing

### Review target market and pricing strategy

Regularly assess your target market to confirm you're attracting the right customers. Customer needs evolve, and some long-standing clients may become less profitable due to increased demands or discount expectations. Adjust marketing efforts to focus on high-value customers and refine messaging to align with shifting demographics.

Pricing influences how customers perceive value. If margins are shrinking, explore cost-effective suppliers, introduce unique services, or cut unnecessary expenses.

### Make sure promotions are effective and measurable

Double down on marketing strategies that deliver results and cut those that don't. Test new approaches like strategic partnerships, business clusters, or expanded digital marketing efforts.

Some businesses thrive on word-of-mouth, while others rely on paid advertising—success comes from refining what works best for you.

Track key performance indicators like sales revenue, lead conversions, website traffic, and engagement rates. While brand perception is harder to measure, focusing on quantifiable results helps fine-tune marketing efforts and drive growth.

### Gather and act on customer feedback

Your current customers are great source of information about successful marketing tactics. After all, they've come to your business. Reach out to happy customers, such as after a sale is completed or a project is finished and ask them how they first heard about you.

Use their answers to guide your future marketing efforts. If people found you on social media, make sure to continue with your social media. If they heard about you through word of mouth, it might be a good idea to encourage more referrals.

### Strengthen customer loyalty programs

Customer loyalty programs are typically a simple and effective way to keep happy customers returning to you and encourage them to spend a bit more money.

You can offer points programs in which customers earn points that are redeemed for discounts or other rewards, tiered systems that offer increasing perks and benefits, cash back or rebate programs, or membership clubs.

### Optimize social media and strategic alliances

Leverage social media platforms like LinkedIn, X, YouTube, and TikTok to build a following at low cost. Engage with your audience by posting valuable content and building relationships.

Form strategic alliances by referring business, offering joint promotions, or collaborating on webinars, workshops, or thought leadership.

## Change your business model

### Monitor industry trends and shifts

Start by understanding your current business model, key value proposition, customer segments, revenue streams, core competencies and cost structures. Dedicate time each month to researching market shifts by attending industry events, networking with peers, and exploring new technologies.

Leverage technology to automate processes, improve decision-making, and improve efficiency. Consider upgrading equipment to identify new opportunities or partnering with other businesses to expand networks and resources. Emerging trends like AI and robotics can transform industries.

## Explore new sales and distribution channels

Expand revenue streams by exploring recurring-fee models, online marketplaces, or direct-to-consumer sales.

Adapt to customer buying preferences by adding wholesale, importing, or direct sales alongside existing distribution. Identifying the right channels can unlock new market opportunities and drive growth.

## Adapt business strategies based on market needs

Advances in technology and lower operational costs have enabled innovative business models that increase productivity and profitability. For instance, drop shipping allows businesses to sell products without holding inventory, while on-demand models like Uber provide services only when needed, reducing overhead costs.

Other models leverage partnerships and digital platforms, such as Airbnb's sharing economy approach or online advertising strategies that offer free content to attract paying customers or ad revenue.

## Leverage your ecosystem

You will have a wide range of people and businesses that surround your operation that may be able to help you sell more. This includes suppliers, re-sellers, contractors, government and employees, all who have a direct benefit in your staying in business.

Reach out to everyone in your own unique 'ecosystem' to find new ways to sell.

## Determine when structural changes are necessary

New business modeling can be challenging to implement. See if or how your competitors or similar established businesses in other countries are shifting their business processes. It may be a sign you must adapt your business model.

Before you make the shift, test first. Then, start implementing your business strategy slowly to try and amend your cost structure and revenue streams before relying on a brand-new model to drive your business forward.

## Restructure

### Conduct a thorough audit and reassess operations

Gather customer feedback to identify what they value most and adjust offerings accordingly. Outsource non-core tasks like payroll, IT, or customer service to streamline operations. Explore ways to innovate, whether by introducing sustainable practices, adding new features, or expanding your product line.

Gradually scale down non-essential operations to minimize disruption. If winding down certain services or products, plan carefully to maintain customer trust and support employees through the transition.

### Secure funding for necessary changes

Explore government grants, low-interest loans, or emergency funding to support restructuring efforts. These resources can help stabilize operations while you pivot, invest in growth opportunities, or navigate financial challenges.

Strengthen financial management by cutting unnecessary expenses, improving cash flow, and prioritizing high-impact investments. Every dollar spent should contribute to long-term sustainability and operational efficiency.

### Eliminate unprofitable products or services

Focus resources on profitable areas by analyzing sales and profitability data. Avoid emotional decision-making. Legacy locations or long-standing products may no longer serve your business. If necessary, close or sell under performing divisions while preserving stronger ones.

If shutting down operations, communicate early with employees, customers, and suppliers to manage the transition smoothly. Sell assets where possible, renegotiate contracts, and comply with employment regulations to minimize legal and financial risks.

## Adjust staff mix

A restructure most likely means letting some staff go. If they form a large part of your overhead, releasing non-productive staff or deleting parts of your business will allow you to pare down staff costs.

Get specific HR advice before you start the process, as there are rules to follow to make sure staff are treated fairly. However, you can reduce your headcount if the business is at risk of closure.

## Consider mergers, acquisitions, or strategic pivots

If internal restructuring isn't enough, consider merging with a complementary business or acquiring one to gain financial stability, expand your market, or access better technology. Mergers can create cost efficiencies, provide new growth opportunities, and strengthen competitive positioning.

Acquisitions can also enhance brand reputation, improve production capabilities, or unlock new revenue streams. Whether in tech, manufacturing, or professional services, combining resources with another business can accelerate growth and long-term viability.

## Notes

This is a guide only and should neither replace competent advice, nor be taken or relied upon as financial or professional advice. Seek professional advice before making any decision that could affect your business.