DEBT MANAGEMENT – Sleeping At Night!

Presenters: Michael Poytner – Lawyer and David McCleery – Chartered Accountant

CREATING YOUR DEBTORS

*Prevention Better than Cure*
- Set Clear Credit Expectations with all potential Customers
- Prepare & Execute Engagement Agreements where appropriate
- Deal with potential problems **EARLY**
- Know your Debtor Days (Turnover)

MANAGING YOUR DEBTORS

*“Cashflow is King”*
- Again, Deal with potential problems **EARLY!!**
- Know your Debtor Days (Turnover)
- Have a Consistent Credit Collection Policy
- Charge Interest on Overdue Accounts

COLLECTING YOUR DEBTORS

*“Take Action”*
- Demands
- Commencing Legal Proceedings – The Steps
- Options for Enforcing Collection: Warrants, Installment Orders, Bankruptcy

DEBT AS A LIABILITY

Health Check -Individuals
What would be the impact on personal cashflow if interest rates climbed by 2.0%?
- Is a Fixed or Variable Interest Rate appropriate?
- Do you operate at or around your credit limit?
- Do you have a planned Debt Management Strategy?

Health Check -Business
- Is the structure and term of business debt matched correctly to the purpose for which it is used?
- Does the structure meet the seasonal needs of your cashflow?
- Do you operate at or around your facility limits?
- Are you aware of the opportunity cost of debt retirement?

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