



### **“Business Cost Cutting Tips – Company Vehicles and Lines of Credit”**

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#### **Company Automobiles**

**M**any companies provide vehicles to employees. These can be vehicles driven full time by the sales force or trucks driven home and parked at night by the installation crew. These vehicles are sort of a company benefit, and if they are not part of any employee employment agreement, this is a resource that can be cut during a difficult time.

If your business is facing a possible failure, this program needs to be terminated immediately. At this point in the game, your employees should already be aware that the company is in danger of failing entirely, so they should fully understand your actions.

If you need a talking point when notifying them that the vehicles will be cut for now, tell them this: If the company fails, these vehicles will likely end up going to the creditors.

Instead of allowing that to happen, these vehicles can be sold now to generate needed cash. Isn't it better to liquidate them now and pay the money out in salaries and other expenses that will perpetuate the business?

I don't think anyone will argue with this line of reasoning.

#### **Terminate Lines of Credit**

Another way to save money during times of duress is to terminate lines of credit. Start with credit cards and make sure to include any form of buying on credit. During the turnaround and restructuring period, no employee other than you should have the ability to purchase anything on credit.

If you allow these activities, you will also risk abuse by any employees



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that are disgruntled over the turnaround process (whether they are losing their job or not).

As we have discussed, you need to have complete control and visibility over all expenditures during this critical period.