

BEST PRACTICE FOR BETTER BUSINESS

Managing the business cashflow is a difficult task, especially when a business experiences hard times. It is vital to keep a keen eye on the numbers; follow our 'Best practice for better business' steps for effective planning and cashflow management.

It all starts with a plan...

- Make a 12-week plan for your cashflow and keep it simple.
- Excel is ideal for this and we can provide templates for you to use.
- Be realistic on when you will be paid by customers, obtain agreed payment dates and include these on the plan.
- Categorise your creditors and payments in order of importance; who needs paying first?
- Quantify the amounts to pay and when to pay, entering these on the 12-week plan.

The creation of a plan is the beginning of getting to grips with the issues - something to be adhered to and developed, not simply put in the bottom drawer! Taking control is, ultimately, empowering for business and critical for future development and success.

BEST PRACTICE TIPS

GOVERNMENT BACKED FINANCE

Decide if you need government support, such as a loan. This requires careful consideration; although the terms are favourable the loan will eventually need repaying. Your cashflow plan will help to support any application.

GOVERNMENT SUPPORT SCHEMES

Double your efforts to access the government grants and support. Time set aside to carry out the research before making the phone calls, is time well spent.

CUSTOMER RELATIONS

Keep in regular contact with your customers and endeavour to get a commitment from them on payment dates.

Put yourself in public relations mode and keep all conversations constructive and positive. Customers need looking after too, so, don't antagonise them or give them the impression that your business is in any difficulty.

TURNOVER IS VANITY, PROFIT IS SANITY

Focus on work which generates the most profit and cashflow return. Don't be a 'busy fool' working on contracts which are loss making.

It may feel like you are keeping the cash coming in, but in reality, it is diverting your time and energy away from opportunities which are more profitable.

CREDITOR RELATIONS

Speak to suppliers and creditors to defer payments. Never delay in having that awkward conversation until the creditor is irate and the relationship irrevocably damaged.

CUT OUT NON-ESSENTIAL EXPENDITURE

Review the last set of prepared accounts. These are not simply there to calculate the tax liability; these are useful documents.

Your accounting systems, such as Xero, generate reports which are relevant and we can provide additional customised reports to make it easier for you to understand.

IT'S A TEAM EFFORT

Share as much of this information with your team as you feel comfortable doing. It's important that everyone in the team is following the plan and not making ill-informed decisions.

Feel free to share the plan with us, as well. We are here to listen and offer advice.

BEEF-UP YOUR BOOKKEEPING

In order to anticipate future expenses and tax liabilities, you need effective and reliable accounting records. A monthly Xero subscription is good value for money and the software easy to use. Using Xero will enable you to have up-to-date data; empowering you to make better and more accurate decisions.

We can setup a Xero subscription for you and tailor it to your business needs, providing the relevant training and support.

Though if you find bookkeeping a business headache and a distraction from your daily (money-making) tasks, you can outsource it. Again, a service that Beverston are more than happy to provide.

REVIEW YOUR WORKFORCE

This is, often, the most difficult action to consider as it could have a life changing impact on those involved. However, by not taking action to lay off unproductive members of staff, you could jeopardise the entire business and many other livelihoods.

Above all else, seek professional HR advise when considering action of this nature.

CONTINUE TO REVIEW AND UPDATE THE PLAN

This will help to keep the business on track and alert you to any further action that might need to be taken.

LIKE TO TALK ABOUT THIS IN MORE
DETAIL? SIMPLY GET IN TOUCH.

PLEASE CALL US ON 01752 977432,
WE ARE HERE TO ADVISE AND HELP...