

Top 5 Tips For Financial Management of Your Business

A simple guide to accounting best practice for a growing business.

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A photograph of two women in a modern office environment. One woman, with long brown hair, is holding a tablet and pointing at the screen. The other woman, with long blonde hair, is looking at the tablet. The office has a contemporary feel with white desks, orange chairs, and various office supplies. The word "Introduction" is overlaid in a large, white, serif font.

Introduction

Combining years of in-depth experience with a thorough knowledge of all levels of accountancy, O'Dwyer Power is a professional accounting firm that understands that every small business has different accountancy needs.

Good business decisions mean knowing how your business is performing. Your accounting advisor needs to be able to see a balance sheet or a profit and loss statement and know it like a seasoned musician reads music. The great ones can take a look at the numbers and within seconds put their finger on the core health of the business so that you can make informed decisions with the help of sound commercial advice.

It can be daunting for business owners when their business is ready to make a step-change in growth and they want to successfully lead the next phase. In this simple guide, we outline the **Top 5 Tips For Financial Management When Your Turnover Reaches €100k.**

Top 5 Tips For Financial Management When Your Turnover Reaches €100k.

1

Ensure Books of Account are Accurate and Up to Date

As businesses get larger it becomes more vital that the decision makers have the relevant and most up to date figures so they can make proper informed decisions.

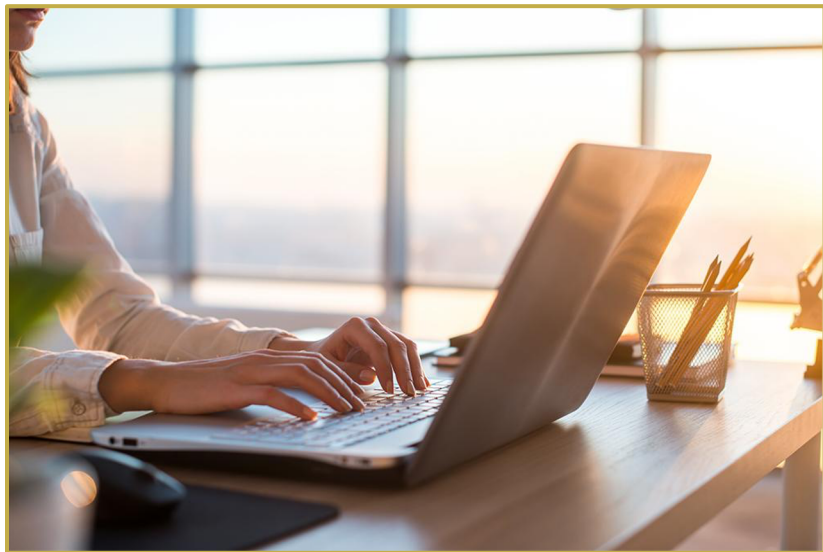
2

Embrace Technology



The world is changing and a huge and exciting part of that is the great advances in accounting technology. For example, cloud accounting with the many applications that tie into it tend to be much easier, faster and more powerful than the traditional desktop solutions. The best business decisions are based on real-time financial information and analysis so take the time to understand and embrace the right technology for your business.

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3

Financial Projections

All businesses require a plan with financial projections and many studies show that one of the main reasons for failure is due to the lack of this plan. In the words of Benjamin Franklin, ***"If you fail to plan, you are planning to fail"***. Your plan maps out your innate insight as to how you think your business will perform and therefore highlight any areas which may need to be addressed to help achieve specific goals and targets. It translates your goals into real figures. Remember, it is more important to focus on profit than turnover and vital to keep an eye on cash flow.

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4

Regular Financial Checks

Measuring financial performance is a very important element of running a successful business and this becomes more important as businesses grow. Once turnover reaches €100,000, the first thing to do is stop and take the time to celebrate such an achievement. The very next thing I would suggest is that you take an immediate step to put in place a process that will ensure bi-monthly management accounts are prepared and reviewed in detail. Track your financial performance against your plan and shine a light on the areas that may need to be addressed. Get comfortable with the detail and keep asking questions.



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5

Use Professionals/Experts

You know your business. If not, you would not have turnover of €100k plus but remember, you don't know every aspect of your business. As it grows it is important that you use experts in the areas where you don't have expertise. For example, you may need to use the guidance of your accountant to correctly prepare your bi-monthly reports and interrogate the detail with you, like digging into why certain costs increased or why the GP margin has changed. The financial expertise of a chartered certified accountant is a resource that at its most effective, can challenge, support and validate your business decisions.

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Next Steps



So, what does all this mean to you?

Well, if you are building your business and planning for success then your preparedness based on following these Top 5 Tips, will ensure that you will be equipped for the next stage of growth. It might take a month or two to get your financial reporting process into the best possible shape so be ready for that. You might also discover some challenges along the way, that may be difficult for you to resolve on your own. That's where the insight and experience of a chartered certified accountant can be invaluable in supporting you and your business.

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The Results

You're ready to take on the world!

With real-time visibility on your financial position to aid budget preparation, cash flow together with key performance measurement tools to set targets, then the results of an effective financial management structure will clearly identify areas where your business deviates from the plan (for good or bad) and therefore will help better decisions to be made in order to maximise sustainable growth.



Billy O'Dwyer FCCA Ctax AFM

At O'Dwyer Power, we have built our reputation as trusted business advisors, leaders in cloud accountancy and GDPR compliance. We believe that our clients deserve expert, professional services through the provision of best advice, practice and technology enabling them to make decisions for their businesses to thrive. Our clients range from sole traders, SMEs to multi-nationals working across healthcare, technology, food & beverage, construction, retail and manufacturing sectors.

We support traditional right through to cloud-based accounting and tax compliance practices. Our data protection compliance services incorporate GDPR audit, policy generation, outsource data protection officer (DPO) duties, client support and training.

We excel in the usage of transformational integrated technology and tools, empowering organisations that require real-time performance and financial status updates.

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