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TIPS FOR KEEPING YOUR BUSINESS FINANCIALLY SOUND, NOW AND IN THE FUTURE!

- 1 Embrace Your Finances:** Many people have had bad experiences with accounts or finances. Many more are put off finance because of all the financial and accountancy jargon. Don't let these things keep you away from one of the most important and crucial aspects of running your business, learn to love your business financials. Avail of LEO training courses and mentoring to improve your financial skills.
- 2 Review your Finances Regularly:** At least once per month (more often for some business), take time out of the daily operations to work "on" your business rather than "in" your business. Keep it simple. Perhaps create a little snapshot report where you review key figures and compare them with targets and previous periods. Figures you could review might be sales, bank balances, debtors, creditors, stock balances....
- 3 Cash is King:** Without cashflow the wheels of your business will stop turning. Remember cash and profit are not the same thing, they are cousins but not the same! Cash keeps the business "lubricated" and without it everything stops. Monitor your cashflow regularly and ensure you do not run out of money. If your business genuinely needs financing, apply earlier rather than later. But remember it is always easier to get money when you have money, so do not let your cash reserves run too low!
- 4 Don't give credit unless you have to:** Bad Debts are the number one cause of cashflow problems. When you have to wait for your money from others, you are putting your business at risk. Some businesses have to give credit as it is the norm in some industries. If you do have to give credit to your customers, ensure you have strong credit control system in place, e.g. proper contracts, prompt invoicing, consistent and persistent follow up
- 5 Keep the Costs down!** Control the running costs of your business. Know your weekly, monthly and annual running costs. Review costs regularly and shop around. Get acquainted with your breakeven point (what you need to be selling to make no profit and no loss). If you are setting up your business or expanding your business, ensure you get best value for money to maximise future sales.
- 6 Ensure your pricing makes for a profitable business:** Ensure your price more than covers all the costs of running your business. The price is the bridge between the numbers and the marketplace. On the one hand you need to be charging enough to cover all your costs. On the other hand, your price is part of your marketing mix. It is an integral part of your business image and how customers perceive your business.



National Women's Enterprise Day

- 7 **Funding - if you are buying money, shop around!** If your business genuinely needs funding, research all your options including of course the traditional sources such as banks and credit unions. Check out and see if you are eligible to apply for LEO funding supports. But don't forget Microfinance Ireland. If you apply through your Local Enterprise Office, you will get fantastic support when submitting your application plus a 1% discount on the loan interest rate. Some people may also wish to consider crowd funding or investors as an option. If going for funding, consider some LEO mentoring to ensure you and your business are prepped for those meetings with the bank.
- 8 **Establish a proper bookkeeping system for your business:** A proper bookkeeping system can make the difference between success and failure in any business. Without a system, we don't have the information system in place to give us up to date, accurate figures for our regular review mentioned at number 2 above. Keep a simple system that suits you. Considering using your phone and simple apps to monitor expenses etc.
- 9 **Save for your tax bill:** Building a business is all about building relationships. One key relationship is that which your business will have with the Revenue. Ensure your taxes are kept up to date. Submit your returns on time. Pay your taxes on time. You can set up direct debit or pay Revenue via a Ros Debit Instruction if you would rather not save for the bill.

Supports and Funding

For more Information check out the following websites:

www.localenterprise.ie

www.revenue.ie

www.welfare.ie

www.microfinanceireland.ie

www.prepareforbrexit.com