

HOW TO MAKE MORE PROFIT & GENERATE MORE CASH IN YOUR BUSINESS





FINANCIAL CHALLENGES FACING BUSINESSES TODAY

Most business owners didn't go into business because they like numbers in fact, typically a business owner only focuses on the financials in times of difficulty. But poor numbers can cause a real problem for a business owner, especially when the business is growing fast. Making a profit and enough cash to meet payroll, invest in the business and support your own lifestyle can become challenging.

Issues like finding and retaining key talent, the fast-paced nature of your services, combined with client demands can take so much of your focus that you lose track of profitability and end up with cash shortages.

It is all too easy to spend time focusing on client delivery when in fact you are losing money on contracts that you thought were profitable.

Simply working harder and longer hours isn't going to give you more profit or generate more cash for your business.

You may have looked to your accountant for help and have most likely found that to be limited, which is fairly normal when engaging a typical practice accountant. They focus on compliance and getting you and your business square in the eyes of HMRC, but they can't really offer you sound commercial business advice.

Getting the right systems in place so you understand the numbers is key but finding an advisor to work alongside you to improve those results will add thousands of pounds to your business and help you manage your cash position so you can avoid those sleepless nights.

5 KEY THINGS TO DO TODAY TO ADD VALUE TO YOUR BUSINESS

1. GET CONTROL OF YOUR CASH FLOW

Put together a cash flow forecast for the next 6 months. Break it down into the next 4 weeks and then the next few months, remember to include everything the business pays e.g. rent, rates, subscriptions, wages, telephone etc (including what you pay yourself). Then put a realistic cash receipt line in.

Review the results - are there problems on the horizon? Is it looking a bit tight if a particular client doesn't pay on time? Are you able to draw what you want from the business?

Our 'Quick Cashflow' tool is easy to use and quick to put together. If you would like a free copy just let us know.



2. REVIEW CONTRACTS FOR PROFITABILITY

Review your contracts and check the margin on each job. Admittedly it's not a quick job but extremely worthwhile doing so start with the biggest clients and work down. Are the big clients as profitable as you thought they were? Do you have too many clients that you run around after, the ones who shout the loudest but pay the least?

Put together a strategy for managing the results – does that look like a price rise or exit for some customers? For any clients that you hold stock for, particularly those with legacy systems, assess how much cash you have tied up in that stock. It is very easy to lose a client and be left holding stock you can't sell on causing you cashflow problems.



3. REVIEW TEAM STRUCTURE

Work out how much each team member costs you and how much they contribute to the business in return. It's key to have an efficient team and not just bring people in because you feel busy. Everyone in your team needs to be productive in their role and fully utilised.

An easy KPI to use is your monthly net sales figure vs payroll cost. This can be easily calculated and is great for managing costs and efficiency.



4. BENCHMARK YOUR KEY METRICS

One of the best things you can do to check your own business performance is to benchmark all of your key numbers against the best and develop a plan to improve each one. At the very least, the ratios should include: sales vs payroll, payroll to non-payroll overheads, debtor days and stock turn.

5. REVIEW THE NUMBERS

Move your financial reporting to one of the industry leading apps, such as Xero. They are fast, easy to use and make your numbers available 24/7 anywhere in the world. Then use some of the various add-ons for reporting your results and put together a quick pack that you can review each month. Waiting until the year end to find out how much profit you've made is too late to make any proper decisions about your business.

You get immediate benefit from simply reviewing your results every month - it allows you to see what works so you can do more of it, and nip any potential problems in the bud.





OR, YOU COULD GIVE US A CALL

We will help you build a more
profitable and successful
business.

HONEST COMMUNICATION

Sometimes the message is hard to hear but we're on your side and we tell you what you need to hear not what you want!

SOUNDING BOARD

The support that you as a business owner don't have in your team at the moment. When something is challenging or things aren't going quite right sometimes there is no one you can speak to you in your business confidentially – you certainly can't burden your team with cash flow issues! That's why we act as a sounding board in our monthly meetings.

You can tell us anything and we can help you find a way through, so you feel like you have someone on your side.

FINANCIAL CONTROL

We are more effective than having your own finance director on your payroll. We don't come with a 6 figure salary and our advice typically pays for itself in the long run, especially if we can save you some tax.

SUPPORT FOR YOUR TEAM

We are used to managing teams and working alongside your own people – if you find your accounts team aren't wholly engaged in the change, we can help show them how using the latest accounting tech can help save them time and bring a bit more spark to their role.

SYSTEM IMPROVEMENTS

If something isn't efficient, we'll help you find a better way, if there's a gap in your processes, we can help you sort it out. It's all about creating a robust business that is profitable and earns you the money you hoped it would when you first started it.



Who are we

Business advisors specialising in providing businesses with outsourced finance expertise to help increase the value of their business, make more profit and manage cash.

GET IN TOUCH



Email victoria@mouldsandco.com to book a 15 minute call so we can find out more about you and let you know if we can help



Call us on 01937 584188 to arrange your first 15 min fact find call with one of our team



Send us a message via our website and we will call you back

