



COMPANY GROWTH CONSULTANTS



Free Yourself From Drudgery And Add £'000's To Your Profits At The Same Time!!

Let's Look At The Problem:

For most people that go into business on their own, their number 1 priority is the product/service that they established their business to sell/provide. At that early stage all their energy is taken getting the business up and running and the records, apart from sales bits, take a very back seat for a long time. The fact is that running a business in the early days involves so many hats for the entrepreneur to wear. They have to be the sales director, buyer, production department and quality control. They also have to become a receptionist, office clerk, helpdesk manager, operation manager, filing clerk, photocopy expert, letter writer, envelope stuffer and stamp licker.

It is no surprise to anyone that the day to day bookkeeping gets overlooked!

There is little thought generally given to the books until a VAT return drops onto the mat, or you take on an employee that needs wages and PAYE calculating, or the bank manager rings about the overdraft!

What happens then is a mad dash to catch up with the books, tracking down all those illusive invoices that you know you have had but can't find, wondering why your bank account is more overdrawn than you thought but don't know how to put in the rent, car hp, business rates etc., that go directly out the bank which had been forgotten because you didn't write the cheques out, suddenly finding out your best customer now takes nearly 90 days each time to pay instead of the 30 days you agreed.

At this point, I have seen one of two things happen.

Firstly, and most usual, is that the business owner makes an executive decision to fudge over the gaps and things known to be missing whilst firmly promising to dedicate more time to straighten things out next quarter when things are quieter. Except that this never happens and the errors and mistakes just compound each other and become too big to even think about tackling – just let the accountant sort it out at the year end! What the business owner doesn't know is that accountants love clients like this and can justify fees up to £150/hour for many hours to bring things into line.

Secondly, the business owner resolves to put this right and takes steps to keep the books up to date, either by employing a bookkeeper directly at a cost of at least £15,000 per year, or by outsourcing the amount of work needed to be off-loaded to an outside organization at a considerably reduced cost than that dedicated bookkeeper.

What Do You Mean By Outsourcing?

The way outsourcing works is very simple. An overloaded business gives an agreed amount of work to a specialist company. It could be as little as running the payroll each week, or completely passing all the book work completely over leaving the business merely producing sales invoices – nothing else. All the collection of cash, payment of bills etc., is handled by the outsourced company on behalf of the business, with none of the business customers or suppliers being aware of anything. Changes in location are explained away as "we have moved our accounts department to this new address."

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The business owner is then left with exactly the amount of bookkeeping they are comfortable with and can fully relax knowing all their books are being looked after by professional people, confident that all deadlines for filing regular VAT, PAYE and other returns are being met.

How Does This Add £'000's To Profits – It Sounds Like A Big Cost To Me?

The simple truth is that the business owner is the only person who really adds to business profits by the things they do. A member of staff, no matter how dedicated, cannot match the earning potential of the entrepreneur. They don't have the passion, the authority, the vision or the determination. Why? Because they are being paid regardless of the extra profits they bring in so what is the incentive. If they could generate the same level of profitability, they would be running their own businesses, not wasting their time on a salary.

Imagine for a moment..... no more bookkeeping in your work cycle. How many hours do you now spend each week, or month – after resolving not to let things slip back into the terrible mess you got into in the early days of the business? Is it 1 hour/week - 5 hours/week or maybe more because things never seem to balance out and you pour over them for hours to get them right?

If you were freed from this weekly nightmare, what would you do?

There are many possibilities of course, but one of them is to devote more time to the one activity that brings in more money to the business – Marketing.

Any business that has been running for a while knows that marketing is essential. Without it there would be no customers at all!

Marketing needs to be done regularly to ensure the business has a constant stream of new and developing customers.

Any business owner that chooses to invest the time freed up from bookkeeping into marketing can easily multiply the profits of the business without limit.

That is a far better use of the time available and far outweighs any costs involved in the outsourcing process.

You could take this one step further as well. If you employ a person in house to keep your records and books, imagine how much more profitable that employee could be if they were released from the books to learn the art of marketing. At least, learn enough to help you strive to continually grow your business and your personal wealth.

Different Levels Of Outsourcing For Your Bookkeeping:

As I mentioned earlier, outsourcing can mean different things to different businesses.

Generally, there are 2 main levels:-

1. You take your prime records round to the outsourcing company at regular intervals. These would include sales invoices, paying in book, cheque book, purchase invoices,

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petty cash vouchers etc. in fact all your bits of paper for the week/month/quarter. At this level you will not really see your records unless you ask but will get regular reports.

2. You hand over everything to the outsourcing company and re-direct all future letters, supplier and bank statements to your new "accounts office". It is likely you will retain the issuing of the sales invoices but you will probably find, in a good quality outsource partner anyway, that you log into their server (where your records are kept) and issue the sales invoices from there directly. The outsource company then collects your money from customers and banks it for you, pays your bills and wages by bacs and monitors your bank account tightly. You should be able to log into your records at any time, day or night, to check on things, print off reports, monitor cash flow etc.

What Are The Main Advantages Of Outsourcing?

The main advantages I have already mentioned, those of spending that freed up time on growing the business, knowing your records are right up to date and you can be happy that all questions from your Bank Manager, VAT Office, Inland Revenue etc., can be immediately and fully answered.

There are other advantages as well though. You don't have to keep up any expensive annual renewal and support contracts for well known suppliers of bookkeeping software such as Sage, TAS, Quick Books and Mind-Your-Own-Business.

You don't have to keep upgrading your computers each year of so just to make sure the new version of that bookkeeping software doesn't run out of steam as it grows and becomes ever more resource hungry.

You don't have to buy extra licences for that software as your business grows so that new employees can issue sales invoices.

You can retain complete confidentiality of your business results from employees much more easily if the books are not on site to be looked into.

You also get the benefit of having experts, including fully qualified Accountants and various grades of accounting staff, available to discuss matters with you throughout the year for no extra costs. Imagine the saving in a Financial Directors' salary of £100,000+ per annum alone, but still having access to one....

What Should I Look For In An Outsourcing Company?

I can think of many questions that you should ask but the minimum would be:-

1. How secure is my data on your system?
2. What experience do the staff allocated to me have?
3. Can I speak to other businesses you look after to re-assure me?
4. What access will I have to my books and records?
5. Will you deal with my VAT visits and PAYE inspections?
6. What bookkeeping package will you use on my books?

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7. Will you set everything up for me including the opening balances to ensure continuity – or will I have to have 2 sets of books in one year for my accountant to deal with?
8. Can you look after my accounts, corporation tax returns and self assessment returns as a complete package?
9. What procedures are in place to avoid catastrophic data loss in the event of fire, floods or other disaster?
10. What happens if I change my mind after a period of using the service?

Any good bureaux service will easily answer these and many other questions and concerns you may have prior to embarking on this road – but I think the most reassuring is speaking to other clients who use the service. How does it work for them, how long have they used the service, what issues have arisen and how were they dealt with.

This Sounds Too Good To Be True – What Do I Do Next?

I often say to clients that if something sounds too good to be true – then it probably is. However, in this case, outsourcing the bookkeeping work is a win-win situation.

You win because you acquire an expert team at your disposal, no longer is there a fear of mistakes, gaps, guesses, missed deadlines, un-filed employee forms, vat surcharges etc., and the outsource company win because they are dedicated to your business and involved completely in it. Your success is their success and you both benefit.

You will be astonished with the ease the whole thing works once set up and you will come to wonder why you didn't do it a long time ago.

Thank you for requesting and reading this report.

If you would like to discuss any matters raised by this report please do not hesitate to ring me today, completely free of charge, for a no-obligation discussion on **0800 047 0731**.

I look forward to hearing from you.

Kind Regards

Ray Stewart ICPA FCCA MICB CB.Dip PM.Dip
Managing Director
Coalville Business Services Limited