



First Impressions
BOOK KEEPING

SURVIVING BUSINESS

FIRST IMPRESSIONS – UNDERSTANDING YOUR BUSINESS

COMMON ISSUES FACED BY SMALL BUSINESS

HELP.....!

Many small business owners simply can't see the light at the end of the tunnel – they can't see what products or services are making or losing them money.

The old cliché of business owners “working in, not on, the business” is never truer than when applied to business finances.

When your business started, its needs were pretty simple. You probably had very little to account for and developed your own system of managing the financial side. A folder for invoices, a box of receipts, when you only have a few transactions a year it seemed easier to just keep a manual paper record. You might have then moved to spreadsheets to keep track of things as you grew.

Unfortunately, the dangers and drawbacks of using a DIY solution to do your finances, rather than professional accounting software, are high.

We have made this eBook to take a look at some of the key problems that small business face when it comes to accounting and financial management, and outline some of the manageable, cost effective steps you can take to resolve them.



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KEEPING UP WITH ACCOUNTING TECHNOLOGY

Dont let technology leave your business behind

Keeping up with technology seems like an added struggle you don't need. How do you know what software you may require, and what features are most critical for your business? What applications will take the pain away from managing your business, and which ones can actively improve it and help drive profits?

Focusing on a few core items, and looking at some straightforward application of technology can go a long way to solving many of your business' daily issues.

Some programs to look into:

www.myob.com.au

www.xero.com

www.intuit.com.au

www.billcue.com.au

www.acclaimsoftware.com.au

One package that is perfect for one client may not be suitable for another – this is a personal choice that you must make.



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KEEPING ONTO OF YOUR BUSINESS

FEELING DISORGANISED?

Keeping on top of everyday tasks is a headache in itself when you're running a small business. The pain is particularly costly if you are still building your business, as you feel you have to be focused on sales everyday and nothing else. Meanwhile the paperwork builds up and ends up in a complete mess.

Daily accounting tasks that you are trying to deal with on a daily basis:

- ✓ Producing accurate accounts
- ✓ Keeping across profit and loss
- ✓ Managing the balance sheet
- ✓ Ensuring your business is tax compliant
- ✓ Managing debtors and creditors

It's a huge workload to juggle, particularly when it seems like a lower priority than creating and sending out quotes, finding potential customers / clients and going to clients meetings.

It's also critically risky to let this get out of hand. *In 2012/2013 42% of businesses had to close due to poor strategic management, this shows that messing up any one of these things could put you out of business.*



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REGAIN CONTROL

Don't Despair – You're Not Alone

It is easy to get overwhelmed by everyday routine and day-to-day business tasks, and not step back to take a proper overview of your company and its operations.

But if you don't stay organised, educated and on top of your business' finances, things can quickly spiral out of control. Research shows, *only half of new business make it past the four year mark*. As scary as that sounds there is help out there.

We all know that good financial management is vital for the survival of any company. But small businesses tend to be the most vulnerable to accounting errors and cash flow problems. There are over 2,000,000 small businesses in Australia and every one faces their own challenges.

What you want is for someone or something to take the pain away so you can focus on your core business activities; your strategy, your marketing, following up leads and developing new products and/or services. You want to have a seamless system that runs like clockwork and does the numbers without you having to be distracted by them.

Employing a good bookkeeping and obtaining a good accounting software program will do this for you.



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WHY IS THERE NO MONEY AT THE END OF THE DAY

Where has all the cash gone?

You have been working your butt off making sales, signing new deals and looking after your customers but your bank account is always empty at the end of the day.

You know you should have the money to cover bills but you are facing a cash crunch. There is rent, body corporate, wages, super, utilities, taxes and suppliers all demanding payment and final notices.

The cost of goods seem to keep increasing each year, higher and faster and you do not have the funds to pay creditors. What has gone wrong? . . . Chances are your cash flow management is inefficient.

You have generated the necessary income but it has not arrived in time. You are not alone with this problem, it's the problem with nearly every small business. According to research by ASIC, *41% of companies failed in 2012/2013 due to inadequate cashflow or high cash use.*

If you were a large corporation, you would have entire departments of accountants doing the work for you. As a small business owner, you are often on your own. You simply can not afford to employ full time accountants or lawyers. Fortunately, you don't need to. You want to put a system in place that prevents most of these problems happening in the first place. And that is what we are going to try and help you to do.



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INVOICING ON TIME

How many times have you forgotten to invoice or not invoiced correctly?

In an ideal world you should send the invoice the day a sale is made or when a job is finished. Every day you delay means a longer wait for your money.

Managing your cash flow efficiently is critical. Left unchecked, it's what is stopping your faster business growth and can eventually lead to business failure. You do not want all your hard work to go down the drain, so lets look at how you can fix that.



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GAIN CONTROL OF YOUR CASH FLOW

Cloud Based Accounting Programs

Cloud based accounting software not only lets you simplify complex tasks such as receipt and payment tracking but helps you get it done faster.

You can:

- ✓ Easily generate debtors reports
- ✓ Understand how much money you owe and are owed over a specific period of time
- ✓ Generate time sheets, track expenses, receipts and record purchases
- ✓ Create budgets and generate reports to keep your costs in check

What's more cloud accounting software lets you do this from any device – anytime and anywhere there is an internet connection.

Until you actually have a clear view of incomings and outgoings, its impossible to know if you are even spending appropriately.



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UNDERSTAND YOUR CASH FLOW

Understanding your business finances

You don't want to be stretched to the limit every month. You want a surplus so you can invest in your business, improve and expand it so you can reach new customers and gain market share. This costs money so set a budget to allow for it.

Every business owners goal is to understand their cash flow and be able to anticipate cash shortages before they occur by gaining an indepth understanding of your business finances.

What activities make or cost you cash fastest?

Accounting software could help you minimise finance related mistakes, panics and problems by reducing your concerns about your cash flow and giving you more time to run your business and maybe a weekend off or well deserved holiday!

Reports you should be viewing daily / weekly:

- ✓ Profit and Loss
- ✓ Outstanding Debtors
- ✓ Outstanding Creditors
- ✓ Tax Liabilities owing
- ✓ Employee Liabilities owing



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WHATS YOUR VISION OR STRATEGY?

Every business needs a vision and a strategy

If you are so busy, no time, too much pressure and other stresses, it can be hard to see past the end of the week.

Many business owners also lack knowledge in how to plan effectively for the future. After all, not everyone holds a degree in financial forecasting and budgeting. You are an expert in sales, the product/service you sell but when it comes to the numbers/figures . . . You have no idea.

Understanding where you are heading allows businesses to plan better, avoid common pitfalls, cash crunches and drive growth more effectively.

Need Direction?

What you want is a tool that connects the transactions occurring in your bank account to your accounting software to reduce time spent entering data.

Ideally you want to import accurate bank transactions directly into your accounting system and then sort them by category to give you the best possible view of your financial position right now. Online accounting programs have these abilities so you will be able to stay on the ball anytime, anywhere.



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CONTACT US

Solutions

We know that your business is more than just bookkeeping! We tailor solutions based on the specific needs of each client and take a long term approach to provide a permanent solution to meet all requirements, while ensuring enough flexibility to change our systems as your requirements change over time.

We can either work within your current systems and processes or work out a new streamlined solution that will get things done quickly and easily. Our bookkeeping solutions are comprehensive and long term freeing up your time so you can focus on running your business.

We also work out a schedule and process that fits in with your needs and gets things done when you want them done.

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