

NATIONAL NUMERACY DAY

Top tips to help you to manage the money in your business:

Keep accurate records for all sales and costs

Use an accounting software package or an accountants help to ensure that all your invoices and purchases are accurately organised and recorded. Keep this up to date on a weekly basis with a reconciliation to your bank balance so you have a clear record of your progress. Check if your accounting software will enable you to email in your invoices to make this easier.

Budgets and forecasts

Create an annual budget for your business on a month by month basis to show what sales you aim to achieve and what costs will be needed so that you have sufficient resources available when sales start growing! Review the budget plan on a regular basis and update with your latest forecasts so that you keep an eye on what you expect the future to bring – sales growth means you will need additional resources to keep the momentum going!

Regular reviews

With your accountants help, review your progress against your forecasts on a monthly basis. The monthly financial reports tell the story of your business – use these to reflect on what went well and how do you need to improve. If sales are more than planned – what created the extra demand and is this an ongoing trend you can build on? Monitor costs carefully and review your future forecasts – how will the high rates of inflation impact your current costs and should you increase your selling prices?

Cash is king!

Prepare a cash flow forecast on a regular basis, realistically predict when customers will pay your invoices and when you will need to make payments to suppliers and staff. Don't forget to include payments for PAYE, NI, VAT, pension contributions and corporation tax as well as capital expenditure. Always keep some cash in reserve for unexpected emergencies.

Pricing your products and services

With increasing costs, keep the costing of your products and services under regular review to ensure you really are covering all your costs. Don't forget to include the overheads and fixed costs in your costings as well as the marginal costs. It is easy to underestimate the true cost of all your outgoings and the true value of your expertise!

Find out more about our upcoming events at: www.arena4finance.co.uk

10th July: 2 half days online course – Food and Beverage Cost Control

25th October: Finance for Non Financial Managers (TUCO)