



EVANS EDWARDS

ACCOUNTANTS | AUDITORS | BUSINESS ADVISORS



Key Budget Takeaways and Tips on Strategies to improve your Cashflow.

Sound Financial Management is essential in any successful business. It all starts with knowing why you are in business, and what you want to achieve. As every successful business owner knows, cash flow is a top priority. Setting time aside to develop a budget and put in place a cash flow management strategy, can help set you up for success.

There are many things to consider when developing a budget for your business, including understanding your business needs, timing of expenses and revenue fluctuations, the different sources of finance available, being able to easily compare actual results against budget, and how to really understand your numbers so you can take timely, corrective action if you need to.

Finances in business covers a whole range of areas including:

- Your own Money and your Time
- Borrowed Money
- Creditors and Suppliers
- Debtors and Customers

Consider what options best suit your particular needs and what strategy is going to work best for you depending on what is available, what security may be required, timeframe, interest rates or what restrictions are attached. What payment terms or discounts might be available from your suppliers? Ensure that you have appropriate debtor payment terms and strategies set up.

Having a budget and up to date financial information is essential. When you compare your actual results/transactions against your budget, you can then tell whether or not:

- You are profitable
- If you have sufficient finance to meet your needs
- If you need to make some changes in your business.

Other practical strategies to consider to improve your Cashflow are below:

- Are you providing remarkable, consistent service to your clients?
- Do you have the right staff in the right roles?
- Have you reviewed your margins on your existing products or services? Are there other opportunities available?
- Have you negotiated a better deal with your suppliers recently, including ensuring reliability of product?
- Are there areas of wastage in some of your product lines or services?
- Do you invoice promptly and have a debtor collection process implemented?
- Have you set aside money for tax? (GST, Income, Payroll etc.)
- What products or services are most profitable?
- Have you considered your inventory mix? Does it still work effectively for your business?
- Have you considered your business risks?
- Are you making the best use of your own skills and time?
- Do you have a cashflow forecast for your business?

There are many aspects to consider to assist you in setting your business up for success. If you need some advice in developing a budget for your business, or specific strategies to help your cashflow and plan ahead for a rainy day, please give the team at Evans Edwards Accountants | Auditors | Business Advisors a call on **4927 4588** or **4939 1766** to get you started.