



BUSINESS ADVICE – WHAT IS IT FOR SMALL & MEDIUM BUSINESSES (SMEs)?

WHY ?

Many of our discussions with clients since March 2020, have been quite different to the discussions we were having with them **before** March, with topics covering issues such as:

1. urgent (and less urgent) cashflow decisions
2. how to access loan finance and managing (the volume of) financial information required by lenders
3. providing support with applications for Government supported loan finance (MFI etc.)
4. understanding the availability and use of the Wage subsidy/support scheme(s)
5. assisting with obtaining advice on specific HR processes i.e. employee contract amendments/redundancies etc.
6. advising on business '**pivots**' to online selling, and 'linking' platforms such as Amazon, Shopify etc. with Xero/Quickbooks

In these very challenging times, our feedback is that this advice has been really valuable for many of our clients, however for the most part it has been '**reactive**' to current circumstances, rather than the type of advice for clients to be '**proactive**' and '**forward looking**' with their business !

Although '**business advice**' is a typical service provided by accountants to their clients, it varies dramatically in practice - **from friendly discussions with clients to focused growth delivery plans, because:**

- clients are not always clear what '**business advice**' is e.g. compliance = accountants
- clients are not aware that work that is **NOT** required can be valuable to growing their businesses AND achieving goals

So

- what is '**business advice**' ?
- what does it look like as a '**proactive**' service (and NOT in reaction to a global pandemic, recession etc.) ?

WHAT IS IT ?

A good explanation of what '**business advice**' is simply to consider:

1. Where your business is **NOW**
2. Where you are trying to get to with the business **IN THE FUTURE**

For a client this may be to have more free time, to be able to 'exit' the business, earn at a certain level of salary or have more financial security etc

Therefore '**business advice**' is the **Advice, Support and Actions** that aim to close the **GAP** between where your business is **NOW** and where you want it to be in the **IN THE FUTURE !**

In practice, '**proactive**' '**business advice**' will typically involve the following steps:

1. Developing a **Plan** which will 'bridge the gap'
2. Identifying key issues that require work in order to **Deliver** or **Action** the **Plan**
3. Ensuring that there is an ability to both **Monitor and Measure** the changes to keep you on the **Plan** along the way



Many of the topics that we (and other accountants) have worked with our clients in recent months on, are also many of the issues that clients should be working in in '**normal times**'

- **Cashflow management and forecasting** – taking the steps that will ensure that VAT quarters and corporation tax payments become simpler and less stressful while planning to have 3 months or more cash available !
- **Loan Finance** – considering when additional finance may be required and planning to ensure that it can be accessed simply and at the cheapest rate(s)
- **Budgets** – considering your sales targets and HOW to start delivering them over the next 12 month period
- **Systems** – do you have the right software in place to make you/your team as efficient (and profitable) as possible ?
- **Internal Processes** – reviewing whether more consistency in how you recruit and pay staff, make sales, price your sales, provide customer service to Customer can be improved
- **KPIs** – considering if you actually have your 'finger on the pulse' of your business, understand what you are selling and how profitable each good/service is

WHEN ?

Recent months have shown businesses (and business owners), the value of having much more flexibility and stability, while also being in a position to regularly look 3 or 6 months ahead, **is really critical !**

So the time for business advice is generally **NOW** –

1. allowing you to work on the **Plan**
2. starting to **Action the Plan** and then
3. **Measure** the progress of the **Plan** !

For Sakura - our business vision is to change the way that business owners view their accountant forever, so we want to help our clients achieve their goals while also '**storm proofing**' their businesses - **as storms will always come across the horizon !**