

Business Review Checklist

Keep your cashflow strong in the year ahead with our guide to monitoring and enhancing business performance.



richardson swift

With 2022/23 set to be another challenging year, the team at RS have put together a checklist designed to help you review your business and identify key areas to concentrate on, so your cashflow stays strong in the year ahead.



Keep On Track...

- **Put extra effort into making sure your relationships with your best customers are solid.** It may be worth introducing an informal grading system based on criteria such as potential lifetime value and cross-selling opportunities to ensure you concentrate resources in the areas that will generate the best ROI.
- **Don't let your customers go elsewhere for services you provide.** By ensuring you keep your current customer base informed of all the products you offer, you can significantly cut marketing costs and increase loyalty. It's much cheaper and easier to sell to existing customers than it is to spend time and money bringing in new ones.
- **Review and chart the main processes in your business** (e.g., generating leads, converting leads to customers, sales processing, order management and fulfilment, shipping etc.) and challenge their efficiencies.



Understand Your Numbers...

- **Encourage team members** to suggest ways to streamline and simplify these processes. Invite ideas and host brainstorm sessions about operations, productivity, outsourcing and cost reduction. Don't forget there's no such thing as a bad idea, especially from the people who deal with these processes every day.
- Following on from this, **review your budgets** and set realistic and achievable targets. Use 'bottom up' budgeting where everyone in the office gives input on areas over which they have control – target a 10% cost saving.
- **Review your realistic staffing needs** over the next 12 months and don't be afraid to make changes even to your senior team. If you feel you are lacking expertise, consider outsourcing key roles on a part-time basis. You can often get the help you need from outside experts in roles such as marketing or finance without having the expense of employing a senior executive full time.
- **Make sure the whole team understands your strategy** and are bought in to it. Staff are more motivated when they understand what you are doing and why. Get your team involved in a discussion of likely trading conditions and ask for their input on maintaining revenue.
- **Suspend or eliminate products or services where the profit margin is low** if they are not considered core to the business model. Concentrate sales efforts on the easy wins - popular products/services with high margins.
- If appropriate, **review banking facilities** and discuss future needs. If you are going to require additional funding, ask for it at least 3 months before you need it.
- **Make sure you have a great accountant or finance director** and keep them informed of any plans or impending issues well ahead of time. They can and will advise you of how to negotiate the financial compliance and taxation minefield.

Improve Results!

- **Establish your key performance indicators** (KPI's) and measure them on a weekly basis e.g. sales leads generated and converted, orders fulfilled, cash balance, stock turnover, debtor days, gross profit, and net profit.
- **Don't be afraid to drop customers who don't pay!**
- **Review debtors list and chase up overdue invoices.** Offer existing debtors extended payment terms and/or discounts. Assign responsibility to one individual for invoicing and collections so nothing is missed.
- **Review your terms of business** to make sure they are working for you. Ensure your contracts leave no margin for misinterpretation as this could come back and bite you in a legal dispute. And ensure that your payment terms are clear and legally binding, should they ever be challenged.



"Being not only accountants but entrepreneurs ourselves, means we genuinely have the expertise to support our clients' businesses and guide them to make the most of every opportunity,"

Debbie Boulton, RS Managing Director

The Legal Bit

We hope you've found this ebook helpful, but please note that though based on the most up-to-date legislation it is for guidance only and can not be construed as advice.

We would always recommend that you consult a qualified accountant or tax adviser before taking any action based upon the contents.

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