

Strategy, Budget & Cashflow

The Issue

Too many business owners operate not knowing the impact on their business of various day to day transactions and issues. They start the day, week, month, year reacting to what comes in the door, their inbox or phone, close their eyes and hope everything will turn out okay. For some, they skip through unharmed. For many, the luck runs out.

What we do for you

Good management, like a good sporting team, makes their own luck. In sport, they train, set strategy, and have a plan. In business, you can do the same – set strategy and have a plan. Your plan might include a description of your strategy, and the budgeted profit that flows from that strategy, and the cashflow that falls out from those operations.

The good news is that it doesn't need to be a book. Even better news is that we can work with you to set down these important plans and put them to use in measuring your progress on a regular basis.

Your strategy sets down what you hope to do. One important aspect is that this also determines what you won't be doing. This helps stopping you and the team getting distracted.

Most owners are familiar with a budget – setting out an expectation of the profit for the year. But most owners also have trouble then extracting the expected cashflow forecast from that budget.

Our experienced Business Services team can assist you by:

- a. Meeting with you to review the past operating results of the business or group, discussing with you your expectations for the next year or two, and documenting a draft plan for you to review.
- b. Once the plan is finalised, the team can then turn that plan into a budget and cashflow forecast including KPIs (key performance indicators) which reflect the strategy plan and current operations of the business.

- c. These draft forecasts can be further reviewed to examine items such as sales growth, margins, level of overheads, number of staff, level of staff, advertising, technology investment, other capital investment required, capital requirements, bank loans, taxes and other commitments, and owner drawings requirements for personal needs.
- d. Once these items have been thoroughly reviewed by all parties, we can see what the outcomes might be and can discuss if there are capital requirements to enable the strategy to be executed. The sources and costs of that capital can then be input to the forecasts.
- e. An action plan is then developed for you and the team and us to execute the strategy.

We would also recommend our Your Business Adviser services to implement a quarterly meeting and review of progress and to make any decisions or changes to the strategy or forecasts.

The Benefits

The benefits to you are:

1. You and your team have a clearly documented direction for the business or group.
2. Our experience is that staff respond enthusiastically to realistic targets and become engaged in taking the business or group forward. You have immediately shared the load.
3. A more engaged team means greater stability in your work force which in turn will improve customer relationships.
4. Having a plan in place means you will know in advance if cashflow issues are going to arise. This means you can take positive steps to tide the business over.
5. In our experience, many owners fail to plan to pay two things - paying taxes on time and taking the right level of drawings from the business. This planning process overcomes these issues.

What's next

Contact UHY to arrange a discussion about how we can best assist you. Connect with us and connect to possibility.