



Grow your business
profitably with real-time
management reporting
and financial modelling



**STOCKER
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CERTIFIED PUBLIC ACCOUNTANTS

As useful as a chocolate fireguard

There's no doubt annual financial statements are important (and of course, they are compulsory). But they suffer from a big problem...

By the time they are finalised and available it is often many months since the end of a financial accounting period (and some of the earlier transactions were carried out well over a year ago). In other words, they are *out of date*. They are of no use for making timely business decisions in real time.

As a business tool for making the best decisions annual financial statements are about as useful as a chocolate fireguard (or as someone once said, "As useful as an ash tray on a motorbike").

It's so frustrating...

Here are some of the frustrations we hear from business owners:

- **Financial statements are hard to read and interpret.** Business owners often tell us, *"Although I know my business, I don't understand the numbers."*
- **It's hard to make spending decisions, or business growth decisions.** Business owners tell us it *"Feels like trial and error."*
- **Planning seems like a good idea,** but *"I don't know how to do it in a way that will help my business."*
- **"I know I need to set goals and monitor progress,** but *I don't know how, and I don't have time."*
- **"I need a lender-ready business plan,** but *I don't know what format to use."*

An all too common story

Many businesses fail. And most failures are due to running out of money. This even happens to businesses that, on the surface, are making a profit. It can sometimes happen despite growth. Growing too fast – sometimes referred to as *over-trading* – can lead to cash shortages and failure.

This happens because there is a difference between profit and cash.

Have you ever felt...

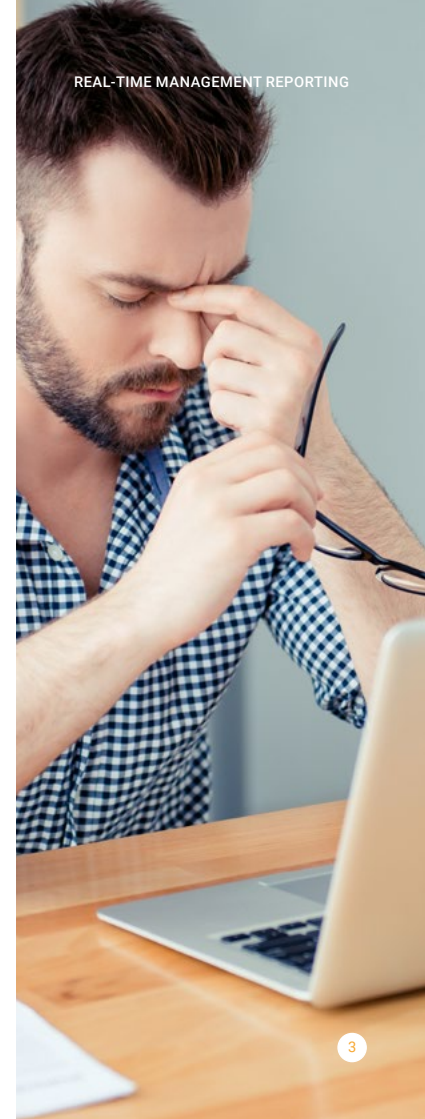
- You're working too hard, and too many hours?
- Your business isn't growing the way you want?
- You're not making enough money?
- Your business isn't as fun as it used to be?

If so, don't worry. You're not alone.

Business is hard. And for small business owners, it can be lonely. It's hard whether you're just *starting out*, or have an *established* business.

Just consider these facts:

- According to the Telegraph (18 August 2015) more than half of new businesses don't survive beyond 5 years.
- Even worse, according to Bloomberg, 8 out of 10 entrepreneurs who start businesses fail within the first 18 months.
- Serial businessman, retail magnate and ex-Dragon Theo Paphitis says, "50% of all small businesses fail in the first couple of years. It's a damning statistic but it's true." He goes on to explain the reasons, "They haven't done their research, they don't know where to go for the right funding. The reason people





fail is because they don't do their homework. It's about... performing better, and the only way you can do that is through knowledge."

Source: The Guardian (8 July 2014)

- On a positive note, businesses that actively plan – meaning they plan and measure against the plan – grow 30 percent faster. A comprehensive research study by Cranfield University, "Do Business Plans Add Value?" discovered businesses that actively plan grow 30 percent faster.

Let's consider some of the reasons for these alarming statistics.

The reasons so many small businesses fail

- A confusion between profits and cash, and delaying tracking cash until it's a critical problem – small business start-ups are prone to simply running out of cash
- An inability to build a profitable business model with an understanding of revenue, expense drivers, and product margin

- Failure to create and communicate concise value propositions in a clear and compelling way
- No real differentiation in the market, which makes price the only competitive advantage
- Emotional pricing instead of strategic pricing; reacting to gut feel and emotion rather than data
- Not communicating with customers to understand their needs, leading to a lack of understanding of the market
- Lack of strategic business planning
- Rapid expansion leading to over spending and running out of cash
- A lack of systems and processes for operations, as well as sales and marketing (both are important)

It doesn't get any easier after five years. Growth brings opportunity, but also a new set of problems to tackle.

The challenges facing the established business

Businesses that have been established for five or more years have typically gone through an initial high growth phase, but without strategic planning, they can start to stagnate.

Some of the common problems we find include:

- **Constant cash flow issues** due to the demands of high overhead and working capital needs
- **Slow growth** and lack of strategies to grow sales
- **Downward pressure on price and margins**
- **Working harder** without seeing results
- **Consistently falling short** of profit targets

More than tax planning

Tax planning alone will not help a business grow and realise better profit and margins. Tax planning is critical to help minimise taxes, but does not help build strategic programmes to grow a business.

Real business growth — growth that leads to increased valuation — comes from increasing revenues, gross margin and net profit.



So, what is the solution?

The solution is having a plan. It's having a strategy. It's understanding the numbers and having access to accurate forecasting, budgeting and planning for future cash flow needs.

Having access to regular management information in real time, and an understanding of the difference between cash and profit, will help you to avoid business failure. And it will help you to build a more successful and profitable business.

What the successful businesses do

All successful businesses know you need to have your finger on the pulse for making the right decisions. That means having access to the most up-to-date numbers for your business.

And not just having access to those numbers, but also fully understanding them and how to use them to guide your strategy and decisions.

How our real time management reporting solves your problems

This service is for business owners who want to get better results.

Every month or quarter – *you choose* – we produce detailed business management reports for you and help you to understand and interpret the numbers. You benefit from:

- **Business management information**, which will help you understand exactly what is going on in your business
- **Analysis of financial trends**, to help you make better business decisions and improve your profits

- **Regular review meetings.** We'll even attend your board meetings if needed, as a resource you can call upon for business advice, acting as a facilitator or sounding board for your ideas
- **Help with setting your business, and even personal, goals.** After all, your business is part of your life.
- **Help identifying and tackling the major challenges** facing your business.



Pricing that puts you fully in control

As you would expect from us, we're not like other accounting and bookkeeping firms. We don't charge hourly rates, because that's not fair. Instead we give you a *fixed price right up front* so you can plan and budget.

Not only that, we also know there is no such thing as a one-size-fits-all solution. Every business is different. Your business is unique. So, what we do is give you a choice of different packages so you can choose the one that best meets your needs.

And each of those packages can be further tailored so you get exactly what you want. You choose whether you want monthly or quarterly reporting. You choose what sorts of reports are best for your business. You choose what sort of meeting support you want.

Payment is by monthly recurring payment, which helps you to spread the cost. You only pay for as long as you see real value... if you want to stop the payments just let us know and then cancel your recurring payment. You are in *complete control*.



Are you on the cloud?

If you are, you already know how this makes your life so much easier. But if you're not, we strongly recommend you move your current accounting system onto the cloud. We call this a *real time information system*.

The benefit of our real-time information system

This is one of the features our clients find most valuable. We use an industry-leading cloud accounting system giving you instant access to information in real time. This system will put you in *complete control of your numbers*. Here are just some of the many benefits:

1. **24/7 access to up-to-date financial information and reports** from any device with an internet connection (you can access your numbers with your smartphone or tablet).
2. **Up to date** – Real time accounting means your records are always completely up to date making it easier for you to *make the right decisions*.
3. **Business support** – Since we can access your data 24/7 you get more value from us – we can help you run and grow your business rather than just add up the numbers. We can support you with your key decisions.
4. **Easier invoicing** – Fast, simple customised sales invoicing will make your life simpler. And the facility for emailing of invoices, with the option to attach a statement at the same time, makes it so easy to manage your sales and get paid quicker.
5. **Quicker cash collection** – The system allows you to embody payment methods into your invoicing. For example, *click and pay* to drive quick collection of your debts. It makes it so much easier for you to get paid, reducing bad debts and slow payers



and putting more cash in your bank account. You can also chase debtors whilst you're on the go.

6. **Automatic processing** – Your bank accounts can feed directly into the system, which keeps your accounts up to date and fully reconciled to the bank... this feature will save you a significant amount of time.
7. **Financial dashboard** – One of the most popular features is the “*Financial Dashboard*”; a fully customisable screen showing you the key financial information you need to run your business. You’ll come to rely on this *Financial Dashboard* just as much as you rely on the dashboard in your car when driving.
8. **Instant reports** – At the touch of a button you can get instant reports on your business.
9. **Security** – Being able to sleep at night knowing your sensitive financial data is always secure and backed-up automatically.


10. **Maintenance free** – No system downtime because all software upgrades are automatically installed. This worry-free maintenance saves you time and hassle.

11. **Lower professional fees** – Reduced accountancy fees because it makes it easier for us to produce end of year accounts.

12. **Free software** – As well as helping you, this system makes our life much easier and that means we can pass this onto you in the form of cost savings, i.e. we will pay the monthly fee for the system on your behalf.

A cloud accounting system will make your life so much *easier*. If you do not currently have a cloud accounting system there is a one-off payment to get your system set up.

This one-off investment will soon pay for itself because it also makes our life easier... and this means you get a discount against our management reporting service.



Your options at a glance

Whatever your business, you will find one of our Management Reporting bundles to suit your needs.

The table below summarises what is included within each of our Management Reporting service levels. To help you identify the best option for you here is a quick overview:

Premium Reporting

This is the best option for *ambitious business owners* who want to work closely with their accounting professional, get access to our rolling forecasting helping you predict the future and comprehensive structured support and advice to help you build your business strategy.

Full Reporting

This is *our most popular option* because you get valuable reports to help you manage your business and on-going support from one of our account managers helping you understand your numbers and make the best decisions.

The one-year full financial forecast helps you predict the future and make the best business decisions to help avoid running out of cash.

Starter Option

This option is best for those business owners who are on a tight budget and want an introduction to the benefits of regular management reports.

Whichever package you choose, you benefit from the following:

Initial assessment and set up

We carry out an initial assessment of your financial data to get a better understanding of your business. This includes the most important numbers in your business and what those numbers are now. This process will give you greater clarity on where your business is now.

Financial systems health check

We will review your bookkeeping entries every month or quarter to look for any errors or omissions. This will give you peace of mind that what you are doing is correct and provides an early-warning signal if anything needs fixing (before it becomes a big problem). And the most important thing we look for is...

Reviewing your bank reconciliations

Reconciling your bank account on a regular basis is critical. When you get to the year-end, if this doesn't reconcile your accounts will be wrong. You could end up paying too much tax because you've missed allowable expenses. Or you risk fines and penalties from HM Revenue and Customs because you've missed taxable income. Or you have to pay higher accountancy fees to have it sorted out when producing year-end financial statements.

So what we do is review your bank accounts to check they are reconciled. This means you get an early warning sign if something is going wrong with your bookkeeping. We can fix it before it becomes a serious problem for you.

Note: If we find problems with your accounting system that need fixing we will produce a report setting out the problems and what you need to do to fix them. If you would like us to fix any problems, we can do that, but it will be an additional fee. We call this *clean-up work*, and this is outside the scope of our Management Reporting service.

Summary management reporting

As part of our Management Reporting service we will help you set up the key reports you need so that the most important information is always a click away. Having your finger on the pulse of your business is critical for making the right business decisions. You need to know the key numbers. At a frequency of your choosing we will supply you with:

- **A periodic view of your reconciled account summary** that will include a year to date total for each category of income and expense, and most importantly, your profit for the year to date.
- **A periodic sales ledger report** showing you exactly how much money your customers owe you and how long those debts have

been outstanding. This report will help you to keep on top of your debtors and put more cash into your bank account.

- **A periodic purchase ledger report** showing you how much money you owe to your suppliers.

Periodical business review meeting

One of the things that all of the most successful companies have in common is they hold regular board meetings to discuss strategy. What's more, in our experience, when businesses – even sole traders – start holding board meetings they immediately start thinking like, acting like and achieving like their bigger and more successful counterparts.

In this meeting we will review your management reports, review the numbers that really matter and help you with your strategy.

You can choose whether you would like this meeting support weekly, monthly or quarterly.

Goal analysis and 1-year sales forecast

Working together, we look at what is important to you, what you want to achieve both personally and in business, and build your goals. This stage will help you clarify where you want to be.

Using your goals, we will develop a 1-year sales forecast. A sales forecast is the first step to building a full financial forecast. Our Full Reporting package includes the full forecast, but even a 1-year sales forecast is a very helpful tool to meeting your goals.

Access to our profit improvement resource centre

With our profit growth programme, you get access to our online video training library and resource centre. This business resource centre contains videos and other resources to help you with your strategy, pricing, marketing and much more. You get resources to help you build a more profitable and successful business.

Business mentoring programme

We run a monthly mentoring programme for forward-thinking business owners. These meetings take place online, which means you don't need to travel, you simply log into the meeting from your computer. Each meeting lasts just 60 minutes, which means you get support every month on key business issues in bite size chunks.

And because you are part of a group you can benefit not only from our support, experience and guidance but also tap into the power of the group. This is great for networking, tapping into other group members' contacts and learning from other business owners just like you.



Unlimited email and telephone support

There will be times when you are not sure how best to account for something. For example, you can claim a mileage allowance for using a bike, so you cycle to a customer. How do you enter that? As part of our Management Reporting service you get unlimited email and telephone support. And not only will we support you by email or telephone, we can also take over your computer remotely and even post the transaction for you.

Your fixed price is *fully inclusive of unlimited* email and telephone support for advice on ad-hoc matters.

This means that you can call on us at any time knowing that you will never be charged for our time or advice. So, we hope you will feel free to speak to us whenever you need to, without ever having to worry about the cost.

Of course, if the issues raised at any of these unlimited free consultations (or anywhere else) require research or analysis *beyond* the consultation, we will give you a fixed price quotation for that extra work *before* any additional work is started. This means you will *never* get an unexpected bill.



	Premium Reporting	Full Reporting	Starter Option
Initial set up, business review meetings and access to support	✓	✓	✓
Summary management reporting			✓
Full periodical management reporting	✓	✓	✗
Financial dashboard	✓	✓	✗
Dedicated account manager	✓	✓	✗
Benchmark metrics for your business	✓	✓	✗
Debtor monitoring	✓	✓	✗
Expense monitoring and advice	✓	✓	✗
1-year full financial forecast	✓	✓	✗
Rolling cash flow and profit forecasts	✓	✗	✗
Measuring the things that really matter	✓	✗	✗
Precision accounting with accruals and prepayments	✓	✗	✗
Financial scenarios based on need	✓	✗	✗
Accountability programme – Your business coach	✓	✗	✗
Prioritised strategic action plan	Free	Free	Free

Complete peace of mind To make sure that your chosen package is right for you we will meet at the end of 3 months from the start date of the service level chosen and, if necessary, change the scope of the service and the price to something that best meets your needs. Not only that, you may terminate our agreement at any time, for any reason, by giving 10 days written notice. In other words, you are in complete control and if our forecasting service is not fully meeting your needs let us know and we'll either change it or you can stop. It's that simple.

Full Management Reporting

Additional benefits

This is *our most popular option* because you get comprehensive reports to help you manage your business and on-going support from one of our account managers helping you understand your numbers and make the best decisions. The one-year full financial forecast helps you predict the future and make the best business decisions to help avoid running out of cash.

Full periodical management reporting

Because it is so important to know how your business is performing, we will produce a full report every month or quarter (you choose the frequency), which will include:

- **Your profit for the period together with comparisons against previous periods**, which means you can see at a glance if your business is heading in the right direction.
- **A detailed breakdown of each category of sales and expenses** together with the corresponding figures for previous periods so you can see at a glance the key trends in your sales and your costs.
- **Your sales ledger report** showing you exactly how much money your customers owe you and how long those debts have been outstanding. This report will help you to keep on top of your debtors and put more cash into your bank account.
- **Your purchase ledger report** showing you how much money you owe to your suppliers.

Financial dashboard

One of the most popular features is the "*Financial Dashboard*"; a fully customisable screen showing you the key financial information you need to run your business. You'll come to rely on this *Financial Dashboard* just as much as you rely on the dashboard in your car when driving. We will work with you to identify the most important numbers for your business and then set this up.

Dedicated account manager

You will be allocated an account manager who will work closely with you. This means you have one point of contact.

Benchmark metrics for your business

In addition to the Dashboard, you'll have access to industry benchmarks on your business type. Benchmarks are industry averages on key financial metrics. They allow you to see how your business performs against other businesses like yours.

Debtor monitoring

Cash is so important. And a key part of cash management is to keep control of debtors (i.e. the amounts of money you are owed by your customers).

One of the most important financial ratios is called debtor days. It's a number you should measure and monitor. We will monitor this for you and if we see a substantial change in the wrong direction we will give you a call to make sure you are aware and offer suggestions for getting this key ratio back under control.

Expense monitoring and advice

Managing costs for any business is so important. We will work with you to identify the most critical costs in your business (for many business owners these include people costs, travel expenses and marketing spend).

Once we have agreed which are your most critical costs to keep under control we will monitor them on your behalf. And whenever we notice a sudden change we will contact you so you are immediately aware. As part of this service we will also advise you on how to keep costs under control.

1-year full financial forecast

A financial forecast is the key to tracking your actual performance against your plan. In our Starter Management Reporting package, we do a sales-only forecast, which is a great place to start. And here, in the Full Management Reporting package, we take that sales forecast and turn it into a full financial forecast, building in your costs and predicting your profits and cash flows.

Using the categories that really matter, together we will build a 1-year financial plan for your business. This plan will be tracked regularly, and will help to reveal areas where your business is struggling before you're in crisis, as well as opportunities for growth.



Premium Management Reporting

Additional benefits

This is the best option *for ambitious business owners* who want to work closely with their accounting professional, get access to our rolling forecasting helping you predict the future and comprehensive structured support and advice to help you build your business strategy.

Rolling cash flow and profit forecasts

Forecasting and budgeting help you plan and will give you an early-warning signal if you are likely to face cash shortages. Our forecasting option looks at each of your forecast profits, cash and net assets giving you a complete picture of what your business might look like in the future. In fact, this is such a powerful business planning tool banks very often insist on it as part of raising finance.

As part of this forecast you will benefit from:

- **Advanced modelling of debtor days** so you can see the impact on cash flow if you change your payment terms
- **Advanced modelling of creditor days** so you can see the impact on cash flow of better utilising supplier payment terms
- **Comparing projections against actual results** so we can continually amend the forecasts in light of actual performance. This means you will continually see whether you are on track to achieve your goals.

Measuring the things that really matter

Numbers are really important. Not all numbers, but the right numbers are. Perhaps you've heard the phrase "*what gets measured gets done.*" We help you to identify the really important numbers and how to measure them.

Measuring the right numbers on a regular basis helps keep you focused on moving toward your goal and increase the chances of you being successful.

Precision accounting with accruals and prepayments

Accruals are adjustments for revenues that have been earned but are not yet recorded in your accounting records and expenses that have been incurred but are not yet recorded in the accounts. Prepayments are when you have paid for something that relates to a later period.

Accruals and prepayments need to be added via adjusting journal entries so that the financial statements report these amounts.

Why is this important?

If you do not adjust for accruals and prepayments your income, expenses and profit for any given period will be distorted and inaccurate. Here is an example...

If your rent is paid quarterly then every third month you have a big expense in your accounts but then no charge in the second and third month. So, we need to spread this cost across each of the 3 months it relates to, to get a true and accurate picture.

Financial scenarios

Financial forecasts are powerful business management tools. But, sometimes it's necessary to model financial scenarios based on potential shifts in business. Maybe you want to open a new location, or consider a capital purchase. How might that affect your long-term profitability or short-term cash? Financial scenarios give you that insight.

Our Premium Management Reporting package includes unlimited support in developing financial scenarios based on business need.

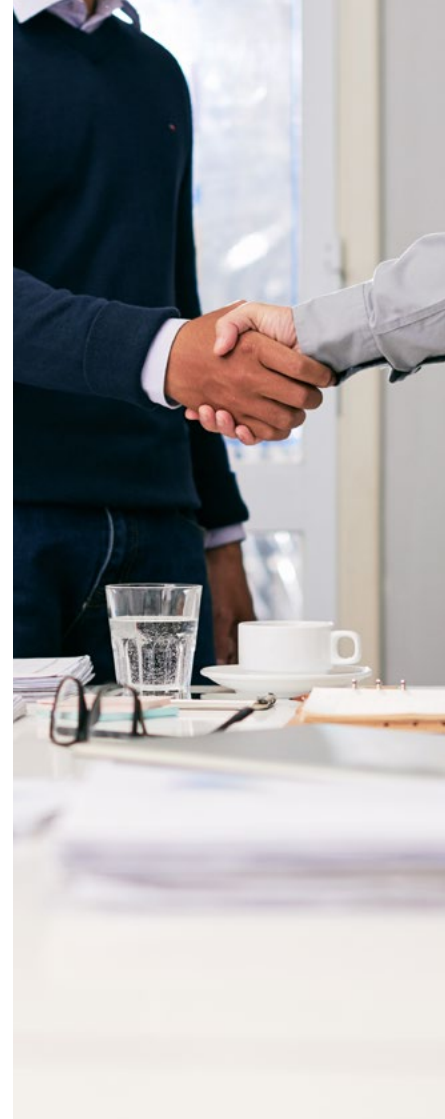
Accountability program: Monthly meetings and your business coach

One of the keys to success is taking action. You need to do the things necessary to move you toward your goals. Unfortunately, this is harder than it sounds. The day-to-day running of a business often gets in the way. Having an external person holding you accountable helps you to get the right things done.

We will schedule a monthly call with you to help you work through your strategic action plan and provide help and support. This external support will make it much more likely that you will achieve your personal and business goals.

Prioritised strategic action plan

At the end of our sessions together, you will have a clear picture of what needs to be done, and how and when to do it, so you can make the right decisions for reaching your goals. We create a *Prioritised Strategic Action Plan*, giving you a roadmap for the way forward.



Popular add-ons and enhancements

Here are some complimentary services that are most popular

Our three Management Reporting packages are flexible. For example:

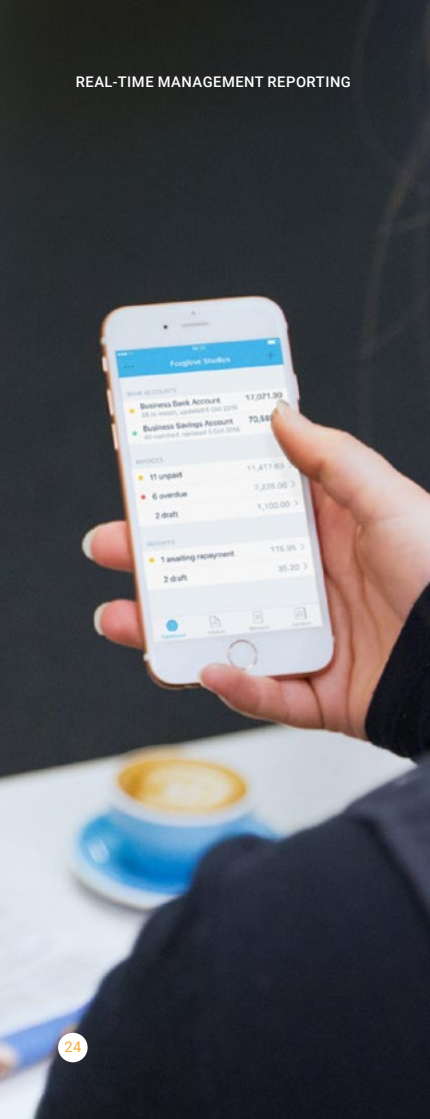
- **If you want to change the frequency of our meetings and/or the reports, you can do that.** Although we recommend monthly reports and meetings, if you are on a tight budget, you can change them to quarterly.
- **If you prefer to meet online, we can do that.** You're the boss. You choose.

There are other enhancements you can add on if you find them valuable. For example:

- **A detailed Power SWOT analysis** where we analyse your strengths and how to build on them, and your weaknesses and how to minimise them. We analyse your external threats and think through how to protect

your business from them, making it future-proof, and we analyse your opportunities and how to capitalise on the best ones.

- **We can create a full business plan including a pricing strategy and marketing plan.** This is powerful for attracting funding or new investors, as well as helping you crystallise your thinking and strategy.
- **If raising capital is important, we can create a full lender-ready business plan** designed specifically for helping you secure important funds for your business.



Cloud Accounting Set Up: Installing a cloud accounting system

You will get much more out of your financial data when your business takes advantage of a modern cloud-based financial accounting system. If you do not yet have it in place, we can set that up for you with our Cloud Accounting Set Up service.

A cloud accounting system will *make your life so much easier*. Here are some of the benefits: it saves you a very significant amount of time

- **It gives you 24/7 access to up-to-date financial information and reports** (you can use cloud-based software from any device with an internet connection)
- **You can sleep at night** knowing your sensitive financial data is always secure and backed-up automatically
- **No system downtime because all software upgrades are automatically installed**; this worry-free maintenance saves you time and hassle

- **It reduces your accountancy fees** because it makes it easier for your accountant to produce end of year accounts
- **Since your accountant can access your data 24/7**, you get more value from an accountant — they will help you run and grow your business rather than just adding up the numbers

We will set up your cloud accounting system and provide full advice and training.

Bookkeeping

Every business owner hates bookkeeping and paperwork. Unfortunately, it has to be done. And it has to be done in a prescribed format... otherwise the tax man will be on your back. And when done accurately it provides critical financial information, key performance indicators and aids decision making.

And because everyone hates bookkeeping — you'd much rather be out there making money from your business — most people end up doing it in the evening or at weekends. Yet, shouldn't evenings and weekends be spent playing with



the kids, spending time with your friends and loved ones, or out on the golf course?

So why not let us take away all that hassle so you can *spend your time with the people you love*, doing the things you love.

Payroll

If you are a limited company or have employees you will need to have a PAYE scheme set up and operate payroll. Many of our clients choose to let us run the monthly payroll. Let us know if you'd like us to take away that hassle for you.

Strategic Planning

Our strategic planning days and programme will help you identify what you want to achieve and how to get there. We work with you to create a roadmap that gives you a clear picture of how to build the business you want.

This service is for ambitious business owners who want to get better results. Some of the key areas that we may cover if they are important to you include:

- **How to set and achieve** your personal and business goals
- **How to identify and tackle** the major challenges facing your business
- **How to sell your products and services** for what they are really worth
- **How to win more customers** – and earn more money from them – than ever before
- **How to never lose another customer ever again** by making yours the most talked about customer service in your industry or area

Price Consulting

We are the numbers experts. We work with numbers every day. And one of the key numbers in any business that we specialise in is the price number. You see, there are 9 drivers of profit. And of all those drivers, price is the most misunderstood and overlooked; and yet it is the most powerful.

Using our skills with numbers we help you analyse your business model, understand different price points and identify a pricing strategy that will maximise your profits. We have a range of solutions that will:

- **Identify a price strategy** that will enable your business to grow more profitably,
- **Establish price points** that will yield greater profit,
- **Present your price in a way that is more appealing** so that more people say, “Yes” and buy from you,

- **Build in payment structures** that reduce cash issues, and
- **Make your price seem smaller** than it is using the power of price psychology.

The bottom line is, you will make more sales and at higher prices, your profit will grow and you will have more cash in the bank.





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