

# 11 Proven Techniques That Will Increase Your Bottom Line



**avidpartners**  
Accountants and Business Advisers

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# INTRODUCTION

The most successful businesses are established by owners who have an entrepreneurial appetite, inspired by an opportunity to provide a product or service that can secure market share and handsomely reward the founder for his efforts and enthusiasm.

An enthusiastic entrepreneur with a niche product – what a platform for a successful business? However, that is only the beginning and quite often the entrepreneur fails to achieve full potential as they often lack the experience or fundamental knowledge and discipline to manage a successful organisation.

This book is a fabulous collection of essential must know points on all key functions of a successful business.

## AVID PARTNERS – ACCOUNTANTS & BUSINESS ADVISERS

### Our clients benefit from:

- ④ **Getting the best results for their business**
- ④ **Minimising costs and tax**
- ④ **Maximising personal wealth and financial security**
- ④ **Support in managing their business**

Avid Partners - Accountants & Business Advisers has grown rapidly since its foundation in 2001 and offers a full and comprehensive range of professional accounting and advisory services. The firm has ambitions of becoming a leading **independent firm of business advisers** and consultants. Our approach is different.

- ④ Developing **strong**, trusting and lasting relationships with clients
- ④ Offering a **focused**, results-driven approach to you and your business
- ④ Identifying new **growth** opportunities in response to a tougher trading environment.



## INTRODUCTION

- ④ Securing **experts** who provide complementary skills in areas such as consulting, property and technology to work with you and your organisation as required.
- ④ **Handhold** the business owner to ensure the best performance and results are achieved

## WHY DO WE WANT YOU TO HAVE THIS BOOK?

The reason why we want you to have this essential business guide is that we know our techniques can improve your bottom-line and that you will be so impressed by the insights and client testimonials that you too will contact us to discuss how our proven techniques can be of value to you and your business.

**So visit our website today and see how our – BUSINESS REVIEW – will give you the edge over your competitors and improve your bottom line.**



Visit us at [www.avidpartners.ie](http://www.avidpartners.ie)

# 1. STRATEGIC PLANNING –

## Every business should have a plan

### Introduction to Strategic Planning

#### WHAT IS A STRATEGIC PLAN?

Entrepreneurs and business managers are often so preoccupied with immediate issues that they lose sight of their ultimate objectives. That's why a business review or preparation of a strategic plan is a necessity. This may not be a recipe for success, but without it a business is much more likely to fail. A sound plan should:

- ④ Serve as a framework for decisions or for securing support/approval.
- ④ Provide a basis for more detailed planning.
- ④ Explain the business to others in order to inform, motivate & involve.
- ④ Assist benchmarking & performance monitoring.
- ④ Stimulate change and become building block for next plan.

A strategic plan should not be confused with a business plan. The former is likely to be a short document whereas a business plan is usually a much more substantial and detailed document. A strategic plan can provide the foundation and frame work for a business plan.

A strategic plan is not the same thing as an operational plan. The former should be visionary, conceptual and directional in contrast to an operational plan which is likely to be shorter term, tactical, focused, implementable and measurable. As an example, compare the process of planning a vacation (where, when, duration, budget, who goes, how travel are all strategic issues) with the final preparations (tasks, deadlines, funding, weather, packing, transport and so on are all operational matters).

A satisfactory strategic plan must be realistic and attainable so as to allow managers and entrepreneurs to think strategically and act operationally.

*"You've got to be very careful if you don't know where you're going, because you might not get there".*  
- Yogi Bera

## STRATEGIC PLANNING

## BASIC APPROACH TO STRATEGIC PLANNING



A critical review of past performance by the owners and management of a business and the preparation of a plan beyond normal budgetary horizons require a certain attitude of mind and predisposition. Some essential points which should be observed during the review and planning process include the following:

- ④ Relate to the medium term i.e. 2/4 years
- ④ Be undertaken by owners/directors
- ④ Focus on matters of strategic importance
- ④ Be separated from day-to-day work
- ④ Be realistic, detached and critical
- ④ Distinguish between cause and effect
- ④ Be reviewed periodically
- ④ Be written down.

As the precursor to developing a strategic plan, it is desirable to clearly identify the current status, objectives and strategies of an existing business or the latest thinking in respect of a new venture. Correctly defined, these can be used as the basis for a critical examination to probe existing or perceived **Strengths, Weaknesses, Opportunities, and Threats**. This then leads to strategy development covering the following issues discussed in more detail below:

- ④ Vision
- ④ Mission
- ④ Values
- ④ Objectives
- ④ Strategies
- ④ Goals
- ④ Programs

## KEY STEPS TOWARDS A STRATEGIC PLAN

*The preparation of a strategic plan is a multi-step process covering vision, mission, objectives, values, strategies, goals and programs. These are discussed below.*

### The Vision

The first step is to develop a realistic **Vision** for the business. This should be presented as a picture of the business in three

*“If you don't know where you are going, you will wind up somewhere else”.*  
- Yogi Bera

## STRATEGIC PLANNING

or more years in terms of its likely physical appearance, size, activities etc. Consider its future products, markets, customers, processes, location, staffing, etc.

## The Mission

The nature of a business is often expressed in terms of its **Mission** which indicates the purpose and activities of the business, for example, "to design, develop, manufacture and market specific product lines for sale on the basis of certain features to meet the identified needs of specified customer groups via certain distribution channels in particular geographic areas". A statement along these lines indicates what the business is about and is infinitely clearer than saying, for instance, "we're in electronics" or worse still, "we are in business to make money" (assuming that the business is not a mint !). Also, some people confuse mission statements with value statements (see below) - the former should be very hard-nosed while the latter can deal with 'softer' issues surrounding the business. The following table contrasts hard and soft mission statements.

When drafting a mission statement, critically examine every noun, adjective and verb to ensure that they are focused, realistic and justified.

## The Values

The next element is to address the **Values** governing the operation of the business and its conduct or relationships with society at large, customers, suppliers, employees, local community and other stakeholders.

## The Objectives

The third key element is to state the business's **Objectives** in terms of the results it needs/wants to achieve in the medium/long term. Aside from presumably indicating a necessity to achieve regular profits (expressed as return on shareholders' funds), objectives should relate to the expectations and requirements of all the major stakeholders, including employees, and should reflect the underlying reasons for running the business. These objectives could cover growth, profitability, technology, offerings and markets.

## The Strategies

Next are the **Strategies** - the rules and guidelines by which the mission, objectives etc. may be achieved. They can cover the business as a whole including such matters as diversification, organic growth, or acquisition plans, or they can relate to primary matters in key functional areas, for example:

- ④ The company's internal cash flow will fund all future growth.
- ④ New products will progressively replace existing ones over the next 3 years.
- ④ All assembly work will be contracted out to lower the company's break-even point.

## STRATEGIC PLANNING

- ④ Use SWOT analysis to help identify possible strategies by **building** on strengths, **resolving** weaknesses, **exploiting** opportunities and **avoiding** threats.

## The Goals

Next are the **Goals**. These are specific interim or ultimate time-based measurements to be achieved by implementing strategies in pursuit of the company's objectives, for example, to achieve sales of €3m in three years time. Goals should be quantifiable, consistent, realistic and achievable. They can relate to factors like market (sizes and shares), products, finances, profitability, utilization, efficiency.

## The Programs

The final elements are the **Programs** which set out the implementation plans for the key strategies. These should cover resources, objectives, time-scales, deadlines, budgets and performance targets.

## USE HINDSIGHT WHEN STRATEGIC PLANNING

Statements on vision, mission, objectives, values, strategies and goals are not just elements of future planning. They also provide benchmarks for a historic review. Most managers will find it exceedingly difficult to develop a future strategy for a business without knowing its current strategies and measuring their success to date.

## Assess Current Position

The starting point must be to determine a company's **existing** (implicit or explicit) vision, mission, objectives and strategies. Then judge these against actual performance along the following lines:

- ④ Is the current vision being realized?
- ④ How has the company's mission and objectives changed over the past say, three years? Why have the changes occurred or why have no changes occurred? Identify primary reasons and categorize them as either internal or external.
- ④ Describe the actual strategies followed over the past few years in respect of products/services, operations, finance, marketing, technology, management etc.
- ④ Critically examine each strategy statement by reference to activities and actions in key functional areas covering such matters as:
  - How has the company been managed?
  - How has the company been funded?
  - How has the company sought to increase sales and market share?
  - How have productivity/costs moved?



## STRATEGIC PLANNING

Take each element and quantify by reference to actual performance. Ask of each "why not?", "why only"?, or "why so"?, and locate the reasons for differences between the actual and desired performance.

### Drill Down

A useful technique for exploring performance shortfalls is to review the business's financial return and to drill down through the components of this return to locate and assess the key determinants of performance.

### EFFECT NOT EQUAL TO CAUSE WHEN PLANNING STRATEGY

When reviewing a business it is essential to cut through the symptoms of problems and reach the underlying causes. Questions which can assist in revealing the real causes include the following:

"What stopped the business from?"

"What was the cause of?"

"Why didn't the business achieve a 25% return?"

### SWOTS – KEYS TO BUSINESS STRATEGIES

Having built up a picture of the company's past aims and achievements, the all-important SWOT (strengths, weaknesses, opportunities and threats) analysis can commence.

### Strengths & Weaknesses

Strengths and weaknesses are essentially **internal** to the organization and relate to matters concerning resources, programs and organization in key areas. These include:

- ④ Sales - marketing - distribution - promotion - support;
- ④ Management - systems - expertise - resources;
- ④ Operations - efficiency - capacity - processes;
- ④ Products - services - quality - pricing - features - range - competitiveness;
- ④ Finances - resources - performance;
- ④ R&D - effort - direction - resources;
- ④ Costs - productivity - purchasing;
- ④ Systems - organization - structures.

If a startup is being planned, the strengths and weaknesses are related mainly to the promoter(s) - their experience, expertise and management abilities - rather than to the project.

The objective is to build up a picture of the outstanding good and bad points, achievements and failures and other critical features within the company.

## STRATEGIC PLANNING

## THREATS & OPPORTUNITIES

The **external** threats and opportunities confronting a company, can exist or develop in the following areas:

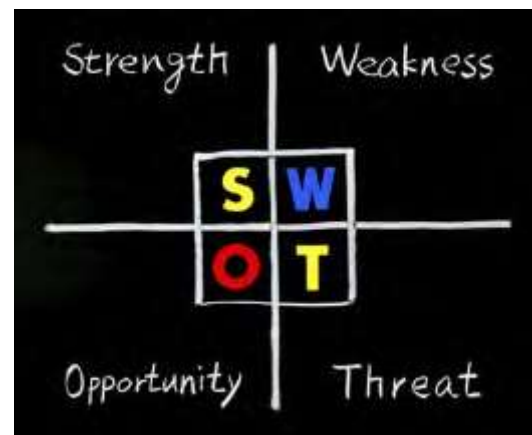
- ④ The company's own industry where structural changes may be occurring (Size and segmentation; growth patterns and maturity; established patterns and relationships, emergence/contraction of niches; international dimensions; relative attractiveness of segments)
- ④ The marketplace which may be altering due to economic or social factors (Customers; distribution channels; economic factors, social/demographic issues; political & environmental factors)
- ④ Competition which may be creating new threats or opportunities (Identities, performances, market shares, likely plans, aggressiveness, strengths & weaknesses)
- ④ New technologies which may be causing fundamental changes in products, processes, etc. (Substitute products, alternative solutions, shifting channels, cost savings, etc.)

Against an uncertain and shifting background, the objective must be to identify and prioritize the key SWOTs in a *one-handed* manner (Don't say "on the one hand .....but on the other hand.....").

### Develop Business Strategies

Once the SWOT review is complete, the future strategy may be readily apparent or, as is more likely the case, a series of strategies or combinations of tactics will suggest themselves. Use the SWOTs to help identify possible strategies as follows:

- ④ **Build** on strengths
- ④ **Resolve** weaknesses
- ④ **Exploit** opportunities
- ④ **Avoid** threats



The resulting strategies can then be filtered and moulded to form the basis of a realistic strategic plan.

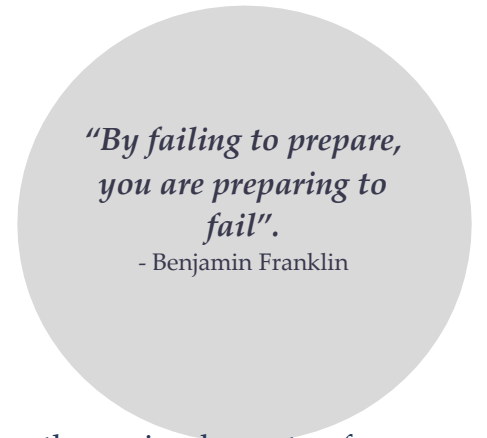
## STRATEGIC PLANNING

### SIMPLE & SHORT STRATEGIC PLANS

Notwithstanding that "battles are often lost for want of nails", a company rarely succeeds or fails for minor or trivial reasons. The causes are usually substantial and are often self-evident, at least to an outsider. For example, the business was completely over-borrowed; management was weak; a major new product opportunity was identified; legislation changed; a major competitor went bust or expanded; the company never reinvested.

It should be possible in the course of a few pages to set down the main elements of a business's vision, mission, values, objectives, goals, strategies, SWOTs, etc. The compilation of a short report along these lines is likely to prove much more difficult than a lengthy dissertation which mixes up details and principles, and confuses the broad picture.

Independent advisers or non-executive directors can play a valuable role in this process because they can readily adopt the role of devil's advocate and also bring external knowledge and expertise to bear.



*We have used Avid Partners since forming our limited company in 2009. Outside of annual returns they have helped develop and look at alternatives to enhance our business going forward. I look forward to working with Conal, Ciara, Martina and all the team in the years to come. To anyone thinking of starting their business or looking for a progressive company to help them develop then we would highly recommend Avid Partners.*

- Sandra Redden, ETS Printers Ltd t/a Mochua Print and Design

## 2. CASH FLOW MANAGEMENT – Money makes the world go round

### HOW GOOD CASH FLOW MANAGEMENT CAN HELP YOUR BUSINESS

For a business, whether they are a start up business or an established business cash acts as their lifeline; it is the one aspect that allows a business to survive. The amount of cash that a business has at its disposal often demonstrates the health of a business. A business, especially a start-up business would be able to survive for a while without sales or profit but without cash it will fail.

*“If you did not look after today's business then you might as well forget about tomorrow”.*

– Isaac Mophatlane

In order to give your business the best possible chance you need to have sufficient control over the cash flow that is going into and out of your business. You obviously want to have more cash going into your business than out of your business but to ensure that this is the case you need to have a good grasp of the cash flow that your business has. You need to have a good idea of your cash flow if you are thinking about expanding or if you wish to borrow some extra money. To aid this estimate of your cash flow it is a good idea to keep your receipts as they will demonstrate examples of some of your expenditure.

An important aspect to remember is that there is a difference between cash and profit. In order for a business to make a profit it needs to produce and deliver goods or services to customers before you actually make a profit so if you don't have the cash to do this then you technically won't have a business left to run. If you want more evidence of these just look at the facts; the reason that most businesses fail is poor cash management that has led to a business not being able to afford to carry on and poor cash flow is the reason that the majority of start-up businesses don't make it past their first year.

Some examples of the cash flow that will be coming into your business include the following:

- ④ The payment for goods/services from your customers
- ④ Any bank loans that you may have taken out
- ④ The interest that you collect on savings and investments
- ④ An increased bank overdraft or loan

## CASH FLOW MANAGEMENT

Some examples of the cash that will be coming out of your business include the following:

- ④ The purchase of any stock, raw materials or tools that your business needs
- ④ Your staff wages, property rent and all of your daily operating expenses
- ④ Any repayments of loans that your business may have
- ④ Any dividend payments
- ④ Income tax, corporation tax, VAT and other taxes
- ④ Reduced overdraft facilities

In order to have a good cash flow within your business you need to ensure that your pattern of income and your business spending habits allows you to have cash available as well as being able to pay the bills on time. Cash flow depends on the timing and amounts of money flowing into and out of the business each week and month.

In order to help you with your cash flow management it is a good idea to keep an up-to-date record of all of your cash so that you can see exactly what is coming in and going out of your business. By doing this, you can find ways of potentially improving the cash flow of your business.

### HOW TO MANAGE YOUR CASH FLOW?

#### 11 STEPS TO “EFFECTIVE MANAGEMENT OF CASH FLOW”

Even profitable companies can go broke. That is a difficult truth for many business owners to swallow. But the sooner you learn that when you're out of cash, you're out of business, the better your chances for survival will be.

Profit is an accounting principle. You need cash, not profit, to pay bills or loans. Furthermore, it's a matter of having the cash at the right time. If you must pay bills each week but your customers don't pay you for 30, 60 or 90 days your business has a cash-flow lapse for which you must plan. Otherwise, the company will miss profit opportunities, hurt its credit rating and eventually go bust. Fast-growing companies are especially vulnerable to cash-flow woes, because they tend to hire employees and build inventories faster than their customers pay. Many bankers won't accept signed contracts as collateral for lines of credit for business, and money borrowed on accounts receivable carries a higher interest rate than a standard loan. The cost of cash interest on loans is one of the largest expenses a company has.



Want to take control of your cash flow to protect your company's short-term reputation and position it for long-term success? Here's how:

## CASH FLOW MANAGEMENT

**1. HAVE THREE PLANS/BUDGETS.**

The first plan forecasts high sales, low expenses and everything going better than expected. The second is based on achievable sales and honest expenses. The third specifies how to survive if everything goes wrong. The key triggering mechanism for going from the realistic plan to the survival plan is a sudden or steady decline in sales.

**2. DO CASH FORECASTING.**

The biggest problem for business is the owner failing to plan for how much cash the business needs throughout the year. In cash-and-carry businesses, such as retail shops, cash is collected the same day sales are made. But in other businesses, such as consulting, payments usually come in over several months or after the work is finished. Companies that sell seasonal products or services may earn most of their income in a few months, and the cash must last all year.

Business owners must also forecast expenses that aren't due every month, such as annual insurance premiums. Forecast monthly cash needs for the next six months or year. At the end of each month, compare the forecast with actual financial results, and adjust forecasts, if necessary.

**3. CONTROL SPENDING.**

Projections are only the beginning. Keep an eye on all spending. Always try to keep enough money in the company to get through tough times.

Business owners are often tempted to spend too much for non-essentials. They lease elaborate offices and decorate them with expensive furnishings. After all, they're company presidents now. Entrepreneurs in business for the long haul, however, often have modest offices or start in their garages. They carefully negotiate leases and solicit price quotes from several vendors to find the best value. Such discipline is easier if you have a budget or, plan. Other cost-cutting strategies: Stop selling products that are losing money and avoid buying assets that require substantial cash outlays.

**4. ACCELERATE RECEIPTS.**

One of the simplest ways to improve cash flow is to get customers to pay their bills more quickly. You might offer a discount if they pay sooner or charge a late fee if they're tardy. Better yet, require payment on delivery. Be very careful about who gets an open account. And if they're ever late in paying they're back on COD. Tell customers upfront, I want your business, but I can't afford to carry you for 30 days, and most people understand that.

## CASH FLOW MANAGEMENT

**5. ACCUMULATE SALARY.**

If necessary to maintain a positive cash flow, you may have to go without a salary. (This is why many experts recommend having one year's living expenses saved up before you start your business.) Many entrepreneurs go bankrupt because they don't pay attention to the financial state of their businesses and insist on paying themselves big salaries no matter what.

**6. KEEP STOCK/INVENTORIES LEAN.**

Too many business owners buy inventory based on hopes and dreams instead of what they can realistically sell. Keep your inventory as low as possible. Remember, a sale that nobody pays for isn't a sale.

**7. ADD EMPLOYEES CAUTIOUSLY.**

Fast-growing companies often find themselves in cash-flow crises because they build their work forces based on contracts that may not pay off for months. Delay hiring workers as long as you can. Instead, look for ways to maximise your own productivity and that of any existing employees or consider lower-cost alternatives, such as outsourcing work to independent contractors.

**8. LEASE RATHER THAN BUY.**

Equipment such as computers can increase productivity, however, lease rather than buy to save cash. A lot of companies go this route with company cars, because the lease payments are tax-deductible.

**9. SELL UNNECESSARY ASSETS.**

If you buy rather than lease assets, consider selling unnecessary equipment to raise cash. This garage sale can include company cars, inventory or equipment.

**10. RECYCLE AND REUSE.**

Never throw away something you'll need again. Reuse file folders, computer disks and packing boxes.

**11. PRIORITY AND COMMUNICATION.**

Make sure to prioritise payments and determine who must be paid now. Make sure to keep creditors informed at all times. Not communicating is the largest cause of enforcement and legal action being taken against your business.

If you want to be successful, you need to learn about budgets upfront. A lot of business owners lack financial knowledge and get into trouble down the road.

## 3. REMOVING BUSINESS COSTS – Seven deadly sins to avoid

Cost removal is just another form of change. Yet we see companies in every sector making the same mistakes time and again. So here are seven deadly sins of cost removal that it will pay you to avoid.

*“Let us not look back in anger or forward in fear, but around in awareness”.*

– James Thurber

### 1. CUTTING COSTS ACROSS THE BOARD.

A flat rate budget cut typically does more damage to the high-value, high-revenue parts of the business than you ever recover from cost savings.

Worse, costs you cut like this will creep back within two years. Think instead about the causes of your costs and remove these instead.

### 2. “CHICKENING OUT”.

Fear of the impact of cost removal is no excuse for not doing it. Uncomfortable conversations now are much better than redundancy conversations later.

### 3. WAITING FOR PERFECT ANALYSIS.

If you are haemorrhaging cash now, every day's delay costs you money. A quick and dirty analysis will give you 95% of the data you need to proceed quickly and do straightaway most of the right things you need to save money. Is the extra 5% of certainty worth the extra days and weeks of delay?

### 4. GETTING IN YOUR PEOPLE'S WAY.

Your people know better than you do where waste and inefficiency reside. They will find and eliminate it provided you set demanding standards for delivery. If people know what is required of them, they will astonish you with their performance.

### 5. SPENDING MORE ON COMPLIANCE THAN YOU ARE SAVING.

Cost removal often means new policies and procedures. Yet in many companies the cost of complying with new policies far outweighs the savings that are made. Know how much it will cost to manage your new policies and only implement those which are cost-effective, don't cut off your nose to spite your face.



## REMOVING BUSINESS COSTS

**6. CREATING A NEW ORGANISATION STRUCTURE.**

Whenever the sky is falling, the first response of many business owners and management is to change the organisation. Usually this is a mistake. First, it distracts people from the real issue: running the business more efficiently. Second, it adds cost, cost to do it, cost as it beds down, and cost as new organisational interfaces are created. Third, it delays real action to improve performance. Fourth, companies hide behind it so that they don't have to talk about getting rid of people. So why do companies continue to do this? Usually because it is easy and looks like real action. But rearranging the deckchairs did not stop the Titanic sinking...

**7. DAMAGING CUSTOMER SERVICE TO SAVE COSTS.**

This is not to say that you should avoid making customer service efficient, but never knowingly preside over a reduction in customer service standards for the sake of short-term savings. The savings will be temporary - the loss of customers, sales and reputation will not.

Many companies fail to improve their cost performance because they don't think effectively about which costs to remove and how best to do so quickly. If you avoid the seven deadly sins described here, however, you will have a fighting chance.

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*Jamie and his staff are a pleasure to work with. They respond promptly to any queries we have and are critical to our financial planning and the future needs of our business.*

- Paddy Halligan (G.P.), The Cottage Surgery

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## 4. BENCHMARKING AND KEY PERFORMANCE INDICATORS (KPI)

**Benchmarking and Key Performance Indicators (KPI's)** are both essential components of a performance management framework. Such a framework includes:

- ④ determining what constitutes success
- ④ determining how success can be measured
- ④ planning activities to achieve success
- ④ performing activities and measuring performance
- ④ comparing performance against the success criteria
- ④ establishing learning points and improving the process.

*“To think creatively, we must be able to look afresh at what we normally take for granted”.*

– George Kneller

**Establish KPI's which reflect the agreed success criteria** and which are **straightforward to measure**. The focus must be on improving the process and achieving greater efficiencies rather than on measuring for the sake of it.

It is important that the measured performance is analysed to improve understanding and to provide feedback that can be used to enhance the process and achieve continuous improvement.

### KEY PERFORMANCE INDICATORS (KPI'S)

Once an organisation or a person has analysed its mission, defined its goals and identified all its stakeholders it needs a way to measure progress toward those goals. Key Performance Indicators are those measurements.

For KPIs to work, you need to ensure the KPIs are specific and measurable. The test is whether you can graph the results, if you can you probably have a good KPI.

Depending on whether you are an organisation, person or process you need to identify the key elements. With an organisation you could use Marketing, Operations, Innovation, Human Resource and Finance. With a person it could be Social, Family, Health, Mental, Finance and Philosophy.

## BENCHMARKING AND KEY PERFORMANCE INDICATORS (KPI)

You need to then brainstorm the potential KPIs that could be used in each key element. Many things are measurable, that does not make them the key to the organisation's or your success. In selecting KPIs it is critical to limit them to those factors that are essential to the organisation or yourself, reaching its goals. For example for Marketing, the contenders are -

- ④ Market share per product group
- ④ Market growth
- ④ Customer satisfaction

You may find you have as many as 20 or 30 KPIs, your next task is to select two or three that will become the key drivers for your project. You need to consider factors such as ease of measurement, relevance to the process, availability of historical data and ability to be understood by the group. Remember that many things are measurable and fit the above factors but are not essential to the organisation or yourself reaching its goal. For example a school may use a KPI based on the pass rates of its students as a key driver.

Take the two to three KPI's you have selected and draw a graph which shows how the performance has been in the past and the target performance in the future. A simple line graph is usually the best format to use.

Link all the activities into each KPI. The group need to understand how and what they are doing *drives* into a KPI.

Make sure there is a regular updating and reporting on each KPI. Make KPIs part of the culture of your client organisation. You can use KPIs as a performance management tool by giving everyone in the organisation a clear picture of what is important and what they need to do to make it happen. Make sure that everything they do is focused on meeting or exceeding those KPIs. You may also consider using a reward system for the meeting or exceeding of KPIs.

### BENCHMARKING

Benchmarking is a tool to help you improve your business processes. Any business process can be benchmarked.

Many organisations talk about benchmarking but few actually do it. It is important for you to understand the basics of benchmarking and to be able to explain how your client can take advantage of the process.

What is Benchmarking? Robert Camp defines Benchmarking as the "*search for industry best practices that lead to superior performance*".

## BENCHMARKING AND KEY PERFORMANCE INDICATORS (KPI)

Put simply it is the process of identifying, understanding and adapting outstanding best practices and high performance from organisations anywhere in the world and then measuring actual business processes against your organisation to help it improve its performance.

In summary, what will you find out by benchmarking?

- ④ Who performs Best Practice or Business Excellence and has processes that are adaptable to you own organisation?
- ④ Who is the most compatible for you to benchmark against?

Most business processes are common throughout industry and one of the mistakes people can make when benchmarking is to only look at their own industry group or 'back yard'. For example Toyota has the same fundamental Human Resource requirements for recruitment and staff training as an accounting firm, so look at benchmarking a company that is well known for being a good model.



*Our business partnership has been with Avid Partners for three years now.*

*Avid Partners provides us with a flexible, efficient and easily accessible service, not just in accountancy but also in relation to general financial advice. The service we have been given is high quality, friendly and efficient. We wish you every success with the future of your business and look forward to many more years working with you.*

— H & C Williamson, Agriculture

## 5. TAX PLANNING – Reducing the cost of taxation

### 27 TIPS TO REDUCING OR MINIMISING TAXATION

Given the increasing levels of taxation and the introduction of the Universal Social Charge, every person should be aware of how to manage affairs in a tax-efficient manner whether they are self-employed or a PAYE worker.

We set out below are a number of tax tips that may help you manage and minimise your tax exposure.

*“The entrepreneur always searches for change, responds to it, and exploits it as an opportunity”.*  
- Peter F. Drucker

#### 1. TAX DUE DATES

Beware of the tax due dates and pay taxes on time to avoid interest, penalties and surcharges.

#### 2. EARLY PREPARATION OF TAX RETURNS

If you are self-assessed, prepare your tax return early for current and subsequent years. This will give you additional time to plan for any unexpected tax liability and to manage your cash flow.

#### 3. TAX RELIEFS

Claim any tax reliefs to which you are entitled. Many taxpayers fail to claim their entitlement to tax credits. These may include:

- ④ Pension contributions
- ④ Unreimbursed medical and dental expenses
- ④ Personal tax credits i.e single parent tax credit, age tax credit, married tax credit and home carers tax credit
- ④ Tax relief on rent paid
- ④ Third level tuition fees
- ④ Donations to approved charities (exceeding €250 in a year).

#### 4. EIIS RELIEF

Consider investing in the Employment and Investment Incentive Scheme (EIIS) (previously known as the BES scheme). Many such investments are available either through a private placing or through a designated fund that spreads the risk. Investors hope both to achieve tax relief on their investment and to gain on their investment on exit.

#### 5. FILM TAX RELIEF

Consider making a film investment. Equity is not necessarily required and tax relief should be available over a relatively short term period. 2014 is the last year to get the full benefits from the scheme for PAYE Taxpayers.

#### 6. EMPLOYED SPOUSE

If you are self-employed, your spouse helps with the business and is not using his/her full 20% tax band, you could consider paying them a salary so as to maximise the amount you jointly earn at the 20% tax rate. However, seek advice in relation to the appropriate PRSI class to apply.

#### 7. SELL A PERSONAL ASSET TO YOUR BUSINESS AND REALISE A CAPITAL GAIN

If you own the business premises or have purchased an investment property, it may be an opportune time to consider selling to your company and pay tax on the capital gain at 30% rather than draw as salary and pay 55%.

#### 8. TAX-FREE TERMINATION PAYMENT

If you are made redundant from a business that employs you, you can take a tax-free redundancy lump sum depending on your earnings and on your length of service with the company, up to a maximum of €200,000.

#### 9. LIQUIDATE YOUR BUSINESS

In a liquidation, shareholders are entitled to what's left after everyone is paid - this gain is taxable at 33% rather than at 41% plus PRSI/levies.

#### 10. DISPOSE OF YOUR SHAREHOLDING AND AVAIL OF RETIREMENT RELIEF

Currently, if you are over 55 years and have worked in a business for over 10 years then the proceeds from the disposal of the business may be exempt from Capital Gains Tax for sums of up to €750,000. This exemption applies to spouses and each spouse has a separate €750,000 exemption.

## 11. PAY PENSION CONTRIBUTIONS THROUGH THE BUSINESS

If you are personally contributing to your pension scheme you are restricted to contributing a proportion of your income - Directors can pay any amount into a pension.

## 12. EMPLOYED CHILDREN

If your children help in your business, you may employ them in order to utilise their respective tax credits. Ensure that such employment is in accordance with employment and health & safety legislation.

## 13. MARRIED PERSONS

If you are married, you should review the allocation of tax credits between each spouse to ensure that it suits your circumstances.

## 14. TRAVEL & SUBSISTENCE EXPENSES

If you travel frequently for business purposes, set up a petrol/diesel account with a local garage to avoid losing receipts. If you travel for work, then you are entitled to reclaim travel and subsistence from the business tax-free using Civil Service rates. Check to make sure you are claiming the maximum.

## 15. BENEFITS IN KIND

Ensure that PAYE/PRSI and the USC are correctly operated on benefits in kind (e.g. company car, health insurance, etc). Tax-free, non-cash benefits (such as gift vouchers/hampers) of up to €250 can be made to employees each year.

## 16. REDUNDANCY REBATE

From January 2012, the employer rebate on statutory redundancy payments reduced from 60% to 15%.

## 17. STAMP DUTY – COMMERCIAL PROPERTY

Stamp duty on non-residential property (including farmland as well as commercial and industrial buildings) has being reduced from the previous top rate of 6% to a flat rate of 2%. Consanguinity relief will continue to apply to transfers of non-residential properties for intra-family transfers until the end of 2014.

## 18. STATE PENSION

Ensure that you pay PRSI towards the contributory state pension each year (at least pay the minimum).

## 19. DIRECT DEBITS

If you are paying PAYE by direct debit, review your figures to ensure that you are not under or over-paying tax. Underpayment can give rise to an interest charge.

## 20. EMPLOYER (JOB) PRSI EXEMPTION SCHEME

A 12-month exemption from employer's PRSI is available where a new job is created for an individual who was unemployed for six months or more.

## 21. VAT ON PROPERTY

Always take specialist tax advice when transacting in property – for example taking or granting a lease, buying or selling a property, etc. – to minimise VAT costs.

## 22. BAD DEBTS

Reclaim VAT on bad debts (as you will have already paid the VAT to the Revenue, which you ultimately did not receive from the customer).

## 23. MAKE A WILL

Making a will helps to avoid unwanted tax implications when you die.

## 24. RETIREMENT AND SUCCESSION PLANNING

Take specialist tax advice if you are selling your business or passing it to your children. Doing so will ensure that any available tax reliefs (such as retirement relief for capital gains tax or business relief for capital acquisitions tax) are made use of, thereby minimising tax costs. With declining asset values, now might be a good time to pass on the family business and benefit from these reliefs – while they still exist! It is expected that capital tax rates will increase in the coming years.

## 25. GIFTS

You can receive gifts up to €3,000 annually from any number of donors without giving rise to gift tax. A child could receive €3,000 from each parent and grandparent – two parents and four grandparents – in a year tax-free.



## 26. SOLE TRADERS/PARTNERSHIP – INCORPORATING THE BUSINESS

Although some professionals may be prohibited from incorporating under their professional conduct, it may be possible for sole traders or partnerships to incorporate some or all elements of their practice/business without offending the professional conduct or legislation. Tax advice should be obtained to ascertain whether there may be any advantage in incorporating elements of the business to avoid personal marginal income tax rates of 55%. Incorporation also offers enhanced pension planning, lower tax rates and efficient cash extraction.

## 27. CAPITAL GAINS TAX

The current rate of capital gains tax increased from 25% to 33% in respect of disposals in recent years. The current system of capital gains tax retirement relief is being amended. Full relief from capital gains tax will continue to apply for an intra family transfer of certain business and farming assets where the individual making the transfer is aged 55 to 66. Where the individual making the transfer is over 66, an upper limit of €3 million on retirement relief will be imposed. This is subject to a 2 year transitional period for individuals who are currently aged 66 or who reach that age before 31 December 2013 in whose case no upper limit should apply. It is hoped that the announcement will lead to an earlier transfer of businesses/farms to the next generation.

Disposals of certain business/farming assets to non family members will continue to be subject to the existing exempt limit amount of €750,000. This is subject to the proviso that the transfer is made by an individual aged between 55 and 66 years of age. Where the transfer is made by an individual over 66 years of age then the €750,000 limit is reduced to €500,000. Again this is subject to a 2 years transitional period for individuals who are currently aged 66 or who reach that age before 31 December 2013 in whose case the €750,000 limit should apply.

Full details of the changes to retirement relief will be announced in the Finance Bill.

### Plan carefully and take advice

In summary, with careful forward thinking tax planning and qualified tax advice, it is possible to minimise your exposure to a range of taxes. It should be noted that a four-year time limit applies to claiming refunds from the Revenue, so if you think you may be due historic refunds, you may need to act now. All indications are that the tax net will tighten in forthcoming budgets for all self-employed persons. Care should be taken to ensure you are benefitting from all applicable reliefs and tax credits, as well as the tax burden on your business and personal financial affairs.

## 6. MARKETING –

### It's all about what the customer needs

#### 10 TIPS TO MASTERING MARKETING

Marketing is knowing what the customer needs and selling your message to those customers on how you can meet their needs in a more unique ways to your competitors.

Below are 10 simple but essential means to mastering marketing:

*"I never perfected an invention that I did not think about in terms of the service it might give others... I find out what the world needs, then I proceed to invent."*

- Thomas Edison

#### 1. IDENTIFY YOUR TARGET CUSTOMERS.

Backed by a strong understanding of your product or service, identify the customers that your product or service can best meet the needs of. Remember if your product or service fails to meet the needs of customers, they will turn to your competitors to have their needs met by them.

#### 2. KNOW HOW YOUR CUSTOMER THINKS, FEELS AND BUYS.

Knowing the behaviour of your customer will allow you the opportunity to devise the communication of your message and know where to place your message in order to attract awareness to your product or service.

#### 3. SELL YOUR CUSTOMER A GREAT STORY ABOUT YOUR PRODUCT OR SERVICE.

Every business has a story to tell. Communicate the vision and voyage making sure to include testimonials and case studies.

#### 4. CHOOSE THE MARKETING MEDIUM WHICH GIVES THE GREATEST IMPACT AND WHICH IS MOST RELEVANT TO YOUR CUSTOMER.

Know where your customer goes to obtain information or insights relevant to your product or service. Know what medium is used by your customers to gain insights and information.

## MARKETING

- 5. SELL THE PRODUCT OR SERVICE EMOTIONS AND USP, NOT THE TECHNICAL ASPECTS.**

Your message to customers must focus on the unique selling points of your product or service. Why should the customer choose you over your competitors? Technical content will turn off your customer from receiving your message. Focus on the emotive needs of customers.
- 6. COMMUNICATIONS SHOULD BE CONSISTENT AND CARRY YOUR BRAND.**

When there is inconsistency in communication, building trust will be an arduous task. All members of an organisation will have to be coached on delivering the intended message to ensure consistency throughout all levels of the business. It is imperative to instil the importance of consistent communication, from the beginning of our operations. Such a culture will act as a catalyst in the development of trust and creating a level of loyalty to your product/service. Failure to do so will have a detrimental impact on your business as a whole, and it will be very difficult to retain and nurture existing customers.
- 7. SHARE THE VISION AND ENERGY OF YOUR BRAND WITH ALL YOUR PEOPLE.**

In order to ensure consistency in all communications, each member of staff will need to be aware of the vision and motive behind the organisation's public image or branding.
- 8. EXPLOIT AND GUARD THE UNIQUENESS OF YOUR PRODUCT OR SERVICE.**

Know what is unique to your product or service. Nurture and protect this uniqueness while ensuring that all members of the organisation can share and encourage this strength.
- 9. COMMUNICATION SHOULD BE SIMPLE, CONCISE AND FREQUENT.**

Keep all internal and external communications simple and concise avoiding technical jargon. The reader has a finite time to digest therefore get the message through early on in the communication. All communication must have a "hook" to grab the attention of the viewer or reader.
- 10. GET CUSTOMERS INVOLVED IN YOUR MARKETING.**

Your existing customers know the value of your product or service. Seek referrals, testimonials and case study profiles from them which will assist you in communicating with your target market.

## 7. MOTIVATING THE TEAM – All aboard

### 10 TIPS ON HOW TO KEEP PEOPLE MOTIVATED

In difficult economic times it is really important to keep your teams motivated especially when budgets for giving bonuses and large staff parties are not as large as they used to be. So here are some simple and effective tips to keep your staff motivated...

*“Motivation is the art of getting people to do what you want them to do because they want to do it”.*

– Dwight D. Eisenhower

#### 1. GET TO KNOW YOUR STAFF.

Take the time to really understand what motivates and interests them, what concerns they may have and what ideas they have to make the organisation more effective. If people feel that their leaders and managers are really interested in them they will return the interest in the work they are doing and the organisation as a whole. *Find out what fires them up.*

#### 2. BE MOTIVATED YOURSELF.

The more positive and motivated you are the more likely it is that your team will be as they will follow your example. Take time to understand what it is that motivates you personally and assertively communicate that to your manager. As a leader and manager it is vitally important that you take time for your own learning and development to learn new skills but also to take the time to reflect on what you need to do differently and how you are going to do it. So see learning and development as vital part of your role and an investment. *Remember motivation is infectious.*

#### 3. PRAISE YOUR PEOPLE.

When your team members do good work, put the extra hours in, come up with a brilliant idea or help a colleague – make sure that you give them praise and a thank you. Praising your people will encourage them to do more of the same in the future. *Treat them with respect.*



## MOTIVATING THE TEAM

**4. ENHANCE YOUR PEOPLE'S CREATIVITY.**

Allow your team members to express their ideas and be sure to listen to them and explore those ideas with them – they could come up with the next best thing for your business. Also in brainstorming sessions use a variety of ways i.e. mind mapping/Edward De Bono's Six Thinking Hats to stimulate creativity and use coloured pens, toys and music to enhance the creative atmosphere.

**5. EMPOWER YOUR PEOPLE.**

Your role as a leader and manager is to get things done through your people and you can do this by effectively empowering your team. Where appropriate involve them in the decision making process, communicate key company information with them and ask for their feedback. Coach them to do some areas of your job that they would find stimulating and motivating and this will give you more time to do strategic thinking and planning.

**6. BE CONSISTENT WITH YOUR MANAGEMENT AND LEADERSHIP STYLE.**

Ensure that you are consistent with your style, if you are empowering and motivating one day but secretive and moody the next your team will get confused, paranoid and you will lose their trust. Remember every single second you are with your team you are having an impact on them, so make sure it is a positive one.

**7. REWARD YOUR STAFF.**

You may not have the budget for staff bonuses or large Xmas parties but you can still do small things to reward your staff when they have met targets, demonstrated excellent customer service etc. Chocolates, cakes and wine always go down well as a thank-you. Or you can be creative and look at other ways in which you can reward staff, for example, introduce flexi hours or write them a handwritten personal note of thanks and praise. In some cases you could get the MD/Chairperson of the company to do this. *Reward achievement.*

**8. HAVE A SOCIAL GET-TOGETHER.**

Organising the occasional social get together is a great way to boost morale and enable your team to get to know one another better. You can organize a social committee that takes responsibility for organizing such events.

**9. CELEBRATE YOUR SUCCESSSES.**

It is important of celebrate and communicate your successes as a company. Have a success board that is visually appealing and accessible for all staff to see. You could

## MOTIVATING THE TEAM

also have a 'company hour' once a week in which all members of the company are invited to have some wine/nibbles or tea/cake and learn about what successes the company has had and what the current priorities are. This is an excellent way to communicate directly to your staff.

**10. PUT YOUR PEOPLE FIRST.**

Your people are your greatest asset so make sure that every single member of your organization is made to feel valued, talk to them, listen to them, invest in their learning and always put them at the top of your agenda. Make sure to stick up for them.



*I have hired Avid Partners Accountants & Business Advisers twice over the last 7 years. I am astounded by the quality of service and level of knowledge Jamie and his staff provide for me and my business. I have used many accountancy firms during the years but have never found one that is always there when you need it most. Avid Partners Accountants & Business Advisers has helped my company grow and return to profit in a short space of time. They have always provided a sensible solution for any financial problems I have encountered along the way. They have ensured my business will grow with my expectations and have also pointed me in the right direction when negotiating with banks. There is no doubt having a quality accountancy firm to back your company makes a world of difference to your business. Jamie and his firm make that difference to my business.* - Alexander Cleland, Cleland's Supermarket

## 8. BEATING THE COMPETITION – “Steal their food”

### 10 Tips on how to beat the competition

#### 1. KNOW YOUR COMPETITORS INSIDE OUT

The job of convincing customers to buy from you instead of your competitors' is where the real work begins. It is essential to complete a simple competitive analysis that will help you uncover the information you need to effectively differentiate your business from the competition based on your own unique selling points.

#### 2. BE MORE INNOVATIVE

During uncertain economic times, innovation is more important than ever. The competition for sales becomes more intense, and the winners are organizations with the best offerings.

#### 3. PROVIDE A SIMPLER ALTERNATIVE

The key is to ensure that your offering is simpler to understand, deploy and engage with than your competitors.

#### 4. BE FASTER AND MORE ADAPTABLE

Timeliness, accuracy and efficiency is essential to delivering your product or service faster than your competitors while always ensuring that you continue to adapt to the changing needs of your customers in advance of your competitor.

#### 5. BUILD STRONGER PARTNERSHIPS

You need to have long-term customers and good vendor relationships that will carry you through challenging times or tight deadlines, as well as relationships with other business owners to share struggles, resources and best practices that can really give you an edge. The reality is that business relationships are just like any other relationship. They require some effort to maintain and they must be mutually beneficial. As in any relationship, you must be willing to give, share and support, not just take or receive.

*“The first rule of business is.. do other men for they would do you”.*

– Charles Dickens, author

## BEATING THE COMPETITION

### 6. EXPLOIT NEW CHANNELS OR ROUTE TO MARKET

You may be able to increase your sales and market share significantly by using different and/or additional sales methods. You can also use other business' customer bases in some circumstances, e.g. wholesalers and distributors.

### 7. KEEP IMPROVING THE CUSTOMER'S EXPERIENCE

This is such an easy one — and it's free. Smile, be polite, build relationships with your customers, and respond to complaints quickly and calmly. It's that simple. But it's something some companies find impossible to do well.



### 8. YOURS IS A MORE CREATIVE AND UNIQUE BRAND

How does your company meet its customers' needs in a way that is both unique and compelling? To find the answer, consider not only the products or services you sell, but also how you operate, including any company-specific characteristics, such as a higher level of customer service or free next-day shipping.

### 9. DO A BETTER JOB FOR ONE GROUP OF THEIR CUSTOMERS

Knowing your competitors and their target market, you may be able to exploit your customers in this market in order to communicate testimonials or case studies of how you serve your customers in this market as opposed to your competitors. Highlight the differentiation with a competitor's target market to gain further market share away from your competitors.

### 10. BUY THEM WHILE THEY ARE SMALL

Acquire your competition while they are small and less expensive to acquire.

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*We have been very happy with the ongoing support, advice and financial strategies provided by Avid Partners. They are always accessible and very willing to explain the different options available to us. I would highly recommend them to other businesses.*

- Ronan O'Brien, CEO of Zatori Results Ltd.

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## 9. HOW TO MAKE “HAPPY CUSTOMERS”

### 10 TIPS TO SOUND CUSTOMER RELATIONS

#### 1. **THEY DESERVE YOUR VERY BEST.**

Make sure there is a thorough understanding of what your customers really want. Use that information to follow up with actions and solutions.

#### 2. **DOING BUSINESS SHOULD BE A PLEASURE.**

People want an ease of doing business. Offer multiple communication methods (phone, web, or call center). Make sure the experience is speedy, efficient, and pleasant.

#### 3. **GET THEIR DETAILS RIGHT.**

People like to feel special. Sending specific, personalized messages will help eliminate some customer's feeling of insignificance, help connect with those people, and help form a bond with them.

#### 4. **KEEP IN CONTACT & KEEP YOUR CUSTOMER IN MIND.**

You should maintain regular contact with the customer primarily to ensure that your product or service is performing and uncover ways in which you can further assist the customer. Show interest in your customer and their business. Keep track of birthdays, anniversaries, actually any special events in their world, and acknowledge them. Send a thank you note or card. A simple handwritten note will cost you less than a euro, take only a few minutes of your time, and could generate hundreds of euros for you. A sentence or two can generate enormous financial and personal satisfaction returns for you. Find out what each of your clients like and keep a watch out for articles of interest — either personal or professional — and either e-mail or snail-mail them to your customers.

#### 5. **SEEK FEEDBACK AND ACT ON FEEDBACK.**

Communication is a key to success in both personal and business relationships. Basic communications helps ensure your customers and patrons understand your

*“The golden rule for every business man is this: “Put yourself in your customer's place”.*

– Orison Swett Marden

## HOW TO MAKE “HAPPY CUSTOMERS”

benefits and know what to expect from your products or services. Additionally, quick and accurate response to customer complaints, whether in person, by telephone, or through email, removes frustration and increases customer satisfaction. Customers become frustrated when they cannot efficiently gain answers to important questions. They also want service providers to take care in understanding, researching, and responding appropriately to questions.

**6. LET THEM CHOOSE HOW TO SHOP.**

Customers are not only satisfied, but often seek out opportunities to do business with companies that are approachable with any request and need. This includes customised services, special requests, or simple old-fashioned friendly and courteous service. The more your service matches up the expectations or demands of the typical consumer, the more likely customer satisfaction will develop.

**7. MAKE DOING BUSINESS WITH YOU CLEAR AND SIMPLE.**

Find ways to make it so easy for customers to do business with you that switching to a competitor would be work for the customer.

**8. BRING INNOVATION AND FRESH THINKING.**

Giving people more than they bargained for is one of the most impacting ways to gain a satisfied and loyal customer. In selling, this is known as value-added selling. Adding minor services, bonuses, or other items, that go above and beyond a customer expectation, creates a sense of great value. Customers complete every purchase by forming an expectation of what they should get in return for the money they have paid. If the product or service meets their expectations, it is good. If it exceeds their expectations, it is memorable.

**9. CREATE A GREATER CUSTOMER COMMUNITY.**

Customers are not only satisfied, but often seek out opportunities to do business with companies that are approachable with any request and need. This includes customized services, special requests, or simple old-fashioned friendly and courteous service. The more your service matches up the expectations or demands of the typical consumer, the more likely customer satisfaction will develop.

**10. REMEMBER THE LITTLE ITEMS – HOW YOU WISH TO BE TREATED AS A CUSTOMER.**

You should be aware that it doesn't take a lot to make customers HAPPY. Little items such as touching base on an anniversary or following up on a point of discussion when previously speaking with the customer. Simply keep the customer in mind and treat the customer in the manner in which you would wish to be treated as a customer yourself. *Remember your experience as a CUSTOMER.*

# 10. GROWING THE BUSINESS –

## Do you have what it takes?

To succeed in business today, you need to be flexible and have good planning and organizational skills. Many people start a business thinking that they'll turn on their computers or open their doors and start making money - only to find that making money in a business is much more difficult than they thought. You can avoid this in your business ventures by taking your time and planning out all the necessary steps you need to reach to achieve success. Read on to find out how.

*"A business has to be involving, it has to be fun, and it has to exercise your creative instincts".*

— Richard Branson, British Virgin Group Founder

### 1. GET ORGANISED.

To be successful in business you need to be organised. Organisation will help you complete tasks and stay on top of things to be done. A good way to do this is to create a to-do list each day - as you complete each item, check it off your list. This will ensure that you're not forgetting anything and you're completing all the tasks that are essential to the survival of your business.

### 2. KEEP DETAILED RECORDS.

All successful businesses keep detailed records. By keeping detailed records, you'll know where the business stands financially and what potential challenges you could be facing. Just knowing this gives you time to create strategies to overcome the obstacles that can prevent you from being successful and growing your business.

### 3. ANALYSE YOUR COMPETITION.

Competition breeds the best results. To be successful, you can't be afraid to study and learn from your competitors. After all, they may be doing something right that you can implement in your business to make more money.

### 4. UNDERSTAND THE RISKS AND REWARDS

The key to being successful is taking calculated risks to help your business grow. A good question to ask is "What's the downside?" If you can answer this question, then you know what the worst-case scenario is. This knowledge will allow you to take the kinds of calculated risks that can generate tremendous rewards for your business.

## GROWING THE BUSINESS

**5. BE CREATIVE.**

Always be looking for ways to improve your business and to make it stand out from the competition. Recognise that you don't know everything and be open to new ideas and new approaches to your business.

**6. STAY FOCUSED.**

The old saying that "Rome was not built in a day" applies here. Just because you open a business doesn't mean that you're going to immediately start making money. It takes time to let people know who you are, so stay focused on achieving your short-term goals and give the rest time to come together on its own.

**7. PREPARE TO MAKE SACRIFICES.**

The lead-up to starting a business is hard work, but after you open your doors, your work has just begun. In many cases, you have to put in more time than you would if you were working for someone else. In turn, you have to make sacrifices, such as spending less time with family and friends in order to be successful.

**8. PROVIDE GREAT SERVICE.**

There are many successful businesses that forget that providing great customer service is important. If you provide better service for your customers, they'll be more inclined to come to you the next time they need something instead of going to your competition.

**9. BE CONSISTENT.**

Consistency is key component to making money in business. You have to consistently keep doing the things necessary to be successful day in and day out. This will create long-term positive habits that will help you make money over the long term.

## Conclusion

Starting and running a successful business can be rewarding and challenging. Success requires focus, discipline and perseverance. However, success will not come overnight – it requires a long-term focus and that you remain consistent in challenging environments

# 11. GOOD FINANCIAL CONTROL – Being in control

Budgeting and financial control are the backbone of small business financing. In order for any business to operate, the owner has to establish business budgets and business budget worksheets. Budgets include cash budgets, marketing budgets, financial budgets, operating budgets, and more. Income taxes have to be prepared. Basic financial management functions such as inventory management and cost volume profit analysis have to be performed.

*“Long-range planning works best in the short term”.*  
– Doug Evelyn

- ④ Make sure that you raise invoices promptly and clearly state your terms of payment. Typical terms would be payment within 30 days.
- ④ Chase your debtors for payment once they exceed their terms.
- ④ If a customer has not paid an outstanding bill you should not be afraid to refuse him further credit.
- ④ You should review your prices on an annual basis and consider increasing them at least in line with inflation.
- ④ Be smart when you are buying in raw materials and finished goods. Bulk buying may be cheaper but stockpiling materials is rarely a good idea. Try to get the best price for the amount you need.
- ④ Pay your suppliers within the terms they set, to keep a good relationship with them.
- ④ Remember to keep enough money back to pay any VAT or tax due.
- ④ Review your cash flow forecasts and budgets regularly and compare them with your actual income and expenditure. Remember to adjust your forecasts for changing circumstances.

## GOOD FINANCIAL CONTROL

- ④ If you foresee problems, whether in cash flow, supply of materials or sales fluctuations take the appropriate action as soon as possible.
- ④ Be smart in making payments such as rates, electricity, and telephone bills. These and others can be paid by monthly direct debit. This has the advantage of spreading the payment evenly over the year, and cutting down on the amount of time needed for administration in the business.
- ④ It is wise to draw up a set of trading terms and conditions. These can be sent out to potential customers with quotations.
- ④ Forward planning is a key element in the success of any business. Backed up by sound financial management it should ensure that you are prepared for both the expected and the unexpected and that your business has a good chance of being a success.



*Having got to know Conal through the BNI Crossroads Chapter over the last couple of months, I decided that it was time to change my Accountant.*

*What impressed me about Conal was his professional manner and his matter of fact approach. His attention to detail was second to none and as an added bonus he was a sounding board to all my questions.*

*The presentation of my accounts to me was in a practical and easily understood format as well as in a timely and efficient manner.*

*Avid Partners deliver a first-class service which is everything you could want from an Accountant and I am happy to give this endorsement.*

*- Eamonn Porter Painting & Decorating*

# BUSINESS REVIEW

## WHAT IS A BUSINESS REVIEW?

During the downturn in the economy when most small business owners and managers were faced with the daunting impact of economic decline and a significant shrinking in their market size, Avid Partners – Accountants & Business Advisers launched a new service profile – Business Review. The business review service has successfully supported business owners and managers in returning their business to increased sales, profitability and improved personal wealth.

The objective is to use some structured time away from the flow of business activity to assess how the business should move forward. The process is designed to enable a clear consensus to be established on what needs to be done, based on thorough analysis of the current position and available options for developing the business.

Clients request Avid Partners – Accountants & Business Advisers to assist them carry out such a review because it's hard to do it by yourself. Bringing in an experienced outsider can challenge you to think deeply about each stage of this process, and come up with much more valid conclusions.

In-depth analysis of the business will look at the following areas relating to the business:

- ④ Industry, market sector, trends and key success factors
- ④ Competitor performance, advantages and differentiators
- ④ Company products, services, distribution and structure
- ④ Sales results, market share and client profitability
- ④ Marketing strategy performance, mix and budget
- ④ Organisational resources and competences
- ④ People, training and investment
- ④ Market research

## WHAT ARE THE KEY BENEFITS?

- ④ Extracting the true needs and wants of the business owner
- ④ Increasing the sales performance of the business
- ④ Increasing the bottom line performance

Visit our website  
[www.avidpartners.ie](http://www.avidpartners.ie)

Click on the  
**Business Review**  
button

- ④ An independent assessment by an expert
- ④ Will bear fruitful ideas for how to bring the business forward
- ④ Improving cash flow and the management of working capital
- ④ Written roadmap and strategic plan for the business
- ④ An all-inclusive process bringing about coordination and cross functional co-operation
- ④ Motivation of staff and common direction
- ④ Delegation
- ④ Increased cost efficiencies
- ④ Learn how to “Make more money”

## WHAT IS INVOLVED IN A BUSINESS REVIEW?



### 1. Where Are We Now?

This stage involves analysing the company’s strengths and weaknesses, how well it addresses the needs of buyers and markets, and how it compares with its competitors. An assessment of operational effectiveness will be done, that looks at people, processes, and organisational responsibilities. The purpose is to establish a solid and agreed start point for the remainder of the project. This stage often highlights differences of opinion between people within the company, and builds consensus about what needs to be done, and why.



## 2. Where Could We Get To?

In the second stage, the strategic options are identified. Research and analysis includes the sizing, profiling and segmentation of markets, and considering the options available for development of products and services through options such as organic growth and strategic partnerships.

## 3. Where Should We Get To?

Based on the analysis in the first two stages, a selection of the appropriate objectives can be made from the strategic options that are available. This includes the selection and prioritisation of the initiatives that will be required. Deeper research into the chosen market opportunities is often required in order to complete this stage effectively.

## 4. How Do We Get There?

In the final stage, an operational plan is developed, based on the differentiated value proposition that has been developed during the first three stages. The offering to each market or market segment is defined. The requirements for the development of the company's people, processes and organisation are defined. Targets are established at this stage, along with the definition of the metrics that will be used to evaluate success.



*Avid Partners have been our accountants and financial advisers for several years. We find them easy to deal with, available for our frequent queries and they manage our returns in a timely basis. We feel they offer value for money at a time when this is a central concern to us.*

- Gavin O Se, Director, GreenBuild Energy Rating and Building Information Services Ltd

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# ABOUT AVID PARTNERS – ACCOUNTANTS & BUSINESS ADVISERS

We help business owners and managers achieve success.

Our clients benefit from:

- ④ Getting the best results for their business
- ④ Minimising costs and tax
- ④ Maximising personal wealth and financial security
- ④ Our support in meeting their needs.

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We are professionally qualified accountants with over twenty years' experience.

We look forward to talking with you should you wish to “profit from our experience”.

Avid Partners - Accountants & Business Advisers has grown rapidly since its foundation in 2001 and offers a full and comprehensive range of professional accounting and advisory services. The firm has ambitions of becoming a leading independent firm of business advisers and consultants. Our approach is different.

- ④ Developing strong, trusting and lasting relationships with clients
- ④ Offering a focused, results-driven approach to you and your business
- ④ Identifying new growth opportunities in response to a tougher trading environment.
- ④ Securing experts who provide complementary skills in areas such as consulting, property and technology to work with you and your organisation as required.
- ④ Handhold the business owner to ensure the best performance and results are achieved.

# WHAT OTHERS ARE SAYING ABOUT AVID PARTNERS – ACCOUNTANTS & BUSINESS ADVISERS



*AVID PARTNERS have been our Accountants and advisers since we opened our business in 2004. They have always shown a keen interest and a willingness to learn about and understand our Childcare business and its many areas e.g. Auditing for Pobal, ECCE/CETS schemes, onsite meeting with NERA, Employment law and advice alongside the daily duties of supporting a full time business.*

*We can access directly our Accountant and his partners while also developing a business relationship with all their employees. We have discovered throughout the years that dealing with the same person, on a weekly basis, is exactly why we can relax about our business and feel confident in the knowledge that they understand and appreciate us. It has been an investment for our business to access a professional Accounting firm that accept the changing economic times and the un-predictability of professional childcare offering flexible billing policies and fee packages.*

*AVID PARTNERS have offered many services to help grow with our business and they are always ready to meet any upcoming challenges that are presented to us and we find that all queries and requests are responded to promptly.*

*AVID PARTNERS advise, analyse and assist 'The Fairway's Childcare Centre & Montessori School' business. We feel safe in the knowledge that they will help steer our business into the future providing an approachable, accessible and professional service.*

— Michael Bergin & Margaret Palmer Bergin, The Fairways  
Childcare Centre & Montessori School

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*When we set up LSS Electrical Contractors in 2007 we recognised that the selection of our professional support team would be key to our future success. We had particular requirements for outsourced professional accounting, auditing, payroll, business development, pension and investment management services. Initially we did not expect that one company would handle all of our financial management services.*

*AVID PARTNERS advise, analyse and assist 'The Fairway's Childcare Centre & Montessori School' business. We feel safe in the knowledge that they will-help steer our business into the future providing an approachable, accessible and found that the services offered were extremely market-competitive.*

*As a small company it is important to us to have a close relationship with our professional support team. With Avid Partners we enjoy a high level of personal service, while also having access to a large resource of industry experience and knowledge, so valuable to our ongoing progression as a business.*

*Avid Partners has always offered us the very best of service. Their professional staff are always on hand when we need them, always ready to assist, advise and guide. Their advice has also shaped and enhanced immeasurably the way we do business and the level of success we have achieved. We have found them always to be extremely professional, reliable, prompt, knowledgeable, in fact exemplary in every way.*

*AVID PARTNERS advise, analyse and assist 'The Fairway's Childcare Centre & Montessori School' business. We feel safe in the knowledge that they will help steer our business into the future providing an approachable, accessible and continued success into the future.*

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## TESTIMONIALS



*We can access directly our Accountant and his partners while also developing a business relationship with all their employees. We have discovered throughout the years that dealing with the same person, on a weekly basis, is exactly why we can relax about our business and feel confident in the knowledge that they understand and appreciate us. It has been an investment for our business to access a professional Accounting firm that accept the changing economic times and the un predictability of professional childcare offering flexible billing policies decision.*

*Conal has at all times worked with us to improve our business. In these current times the importance of an accountant who takes an active interest in your business and its wellbeing is essential. If you feel that your accountant is not working hard enough to improve your finances and streamline your business, then I would have no hesitation in recommending Conal Bradley and Avid Partners.*

*I look forward to all our future dealings with Conal and wish him and his company the best of luck in the future.*

- Ivor O'Loughlin, O'Loughlin's Hotel

*As a small business experiencing growth Ortus Technology found itself in need of guidance. We weren't sure how to measure our company, how to grow within our budget or what our budget actually was.*



*Avid partners looked at our business, listened to us and got us to provide them with some information. They have since then processed this information into a business plan for us. We finally know our profitability, how to grow and most importantly they have shown us what to avoid in the future.*

*I cannot recommend Avid partners highly enough for the structure they have put in place for my business. It has given us peace of mind and drive to move our business forward.*

- Cian Prendergast, Ortus Technology

## TESTIMONIALS



*Rathvilly Parish Credit Union has found Avid Partners to be of great assistance to us over the years, particularly over the last 2 years which has seen an increasing amount of queries coming from the Central Bank/Regulators office. Avid Partner's expert knowledge and professional advice has been of huge assistance to us in dealing with all this extra paper work and tight deadlines resulting from these extra requirements. It would not have been possible for us to complete this work without the professional assistance from Jamie and Mary who are our main contacts within the office. Rathvilly Credit Union would have no hesitation in recommending Avid Partners to any other Credit Union.*

- Pauline & Siobhan, Rathvilly Parish Credit Union

*We at Allied Pension Trustees appointed Avid Partners as auditors and advisers to our operating entities. As a financial services group, we must meet stringent financial reporting requirements to the regulatory authorities. Avid Partners adopt a "hands on" approach to the management of our audits and the provision general advisory services to our businesses. Avid understand our businesses and provide an invaluable support services to our businesses.*



- Vincent Boyle QFA FLIA AIIPM, Chief Executive, Allied Pension Trustees



*We at Kazumi Hair Salon have been given fantastic guidance by Avid Partners encompassing all our finances over the last number of years. We have total faith in Avid Partners looking after all our financial needs from week to week business accounting to yearly revenue returns and all taxation issues. Avid Partners have helped us through these difficult times with quarterly business development meetings and strategies to keep us focused on the changing economic environment.*

- Ivor O'Loughlin, O'Loughlin's Hotel

## TESTIMONIALS

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*Laois Domestic Abuse Service have used Avid Partners as our accountant since 2006, when we were establishing ourselves as a legal entity. We have expanded rapidly and Avid Partners have been very helpful every step of the way, providing solid accurate information and guidance us on all our financial matters. As a community group it is also reassuring to have such a community minded accountancy practice working with us.*

– Marna Carroll, Laois Domestic Abuse Service

*We at Kevin Barry Motors have used Avid Partners for several years for our Annual Returns, queries and advice in relation to our business.*

*We find them easy to deal with and quick to respond to our many queries. I would recommend Avid Partners for all your Accountancy requirements.*

– Catherine Barry, Kevin Barry Motors

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**avidpartners**  
Accountants and Business Advisers

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