

**The 27 Common
Financial &
Marketing
MISTAKES**

**That Right Now
Are Costing
Owner-Managed
Businesses
£Millions Each Year**

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**‘FATAL MISTAKES’ You Must
Absolutely, Positively Eliminate
From Your Business Right NOW!**

We see it every day. People making these fatal mistakes. And even if they’re not fatal, they are having a massive detrimental effect on a business. It's not that the business owners are doing it on purpose. Of course not. It’s just that these Financial & Marketing Mistakes are being adopted because people simply don't realise that what they're doing is having a catastrophic effect on their businesses.

Call it ignorance. Call it lack of knowledge. Lack of professional guidance. Call it what you like. The point is that almost every business is wasting hundreds of thousands of pounds because they’re making these mistakes – without even knowing it!

Statistics tell us that 80% of businesses go bust during the first five years of trading. And of those that remain, 80% will not be in business ten years from when they started. That’s a scary but true statistic – especially when you think these figures don’t include the current difficult trading conditions!

The fact is the success and failure of any business is almost entirely down to how well the business is financially run and marketed – and not down to how good the product or service is – or the people in the business!

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This may be difficult for you to agree with at the moment, but as you read through each one of the following mistakes, you'll quickly understand that 'He/She who has sound financial foundations and markets most effectively – wins – and wins big.' That's why inferior products and services have stood the test of time. It's because they were (and still are) marketed well – often better than superior products and services. And the business is supported by sound financial and tax-saving strategies.

In other words, to build a better business you need to apply AND combine proven financial and tax-saving strategies with proven marketing strategies.

When you understand what this means, it's easy to appreciate why businesses all over the world struggle or don't do as well as they should...

They simply haven't found a way(s) to generate a constant stream of customers and keep them buying – time after time and at the same time create a financial infrastructure that helps the business flourish.

This is WHY businesses fail – or don't prosper as much as they should. Sure we've all heard the same excuses...

- Too much competition
- Price-sensitive market
- Poor staff
- Economic slowdown/recession
- Blah, blah, blah!

But when the business owner dedicates a large proportion of their time to effective financial management and marketing, then they make the business 'immune' to outside factors such as the competition.

Better still...

Because these Financial & Marketing Mistakes are **SO common**, this presents a huge opportunity for you **RIGHT NOW**. We guarantee your competition will be committing these mistakes in their own businesses. Mistakes they're not even aware of. Mistakes you can now transform into **winning** strategies.

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By looking at the common mistakes and what negative impact each one has on a business, you'll get an appreciation of the significant improvements you can make in your own business. You'll be able to spot the mistake before it happens. And you'll ultimately be in a position to transform each mistake into powerful financial and marketing strategies that generate windfall profits the moment you take action!

As you read through each mistake, think about your business and see how well you're doing in each of the areas.

Some mistakes are admittedly worse than others. Some can be catastrophic (hopefully you aren't committing any of these!). But if you catch them soon enough – you'll have time to act. And ACT is what you must do. If you keep doing the same things – you're going to get the same results.

If you take control of your business and ensure you avoid making these common mistakes, you can expect truly amazing results! That's the true purpose of this report. Identify what you're doing wrong, put it right, and skyrocket the sales and profits of your business.

PLEASE NOTE:

After each Financial, Tax And Marketing Mistake you'll see a box like this explaining how we, as an organisation, help our clients eliminate the mistake from their businesses and create a powerful and winning alternative.

Please read these 'Side Bar' comments. They will help you further understand what incredible results can be achieved when you use an accountant that's focused on helping you build a better business!

Okay, let's get started...

Financial Mistake #1

Failure To Have An Ultimate Goal And A Plan For How To Get There

You wouldn't set out on a long car journey without knowing your destination, not unless you want to waste an awful lot of time and money. The same applies to your business.

If you don't know what your goal is then you have no target to focus on. Your decision-making becomes reactive since there is no forward-looking element to it. Business management lacks consistency since there is no point on the horizon to guide your thinking.

Whatever stage your business is at, taking time to think about what you are actually trying to achieve is invaluable. So if you haven't already done so...

Take a blank piece of paper.

- Mentally put to one side all your current problems, issues and constraints (Trust us!).
- Write down in bullet-point fashion what it is that you really want to achieve with your business. This should be no more than half a dozen points but could be as few as one.
- Frame It! Now you have some goals.

Now let's return to the car journey. You know your destination, but that's not enough on a long trip. You need a map or a Sat-Nav to get you there; otherwise you run the risk of a wrong turn at every junction.

In business, knowing your goals is a big step forward but it is equally important that you have a plan for getting there.

A plan will show you the most effective route and will tell you what's possible and what changes are needed. More importantly, as circumstances require change, so the existence of a plan, like a map for your business, will help you pick the most effective route for getting back on track. Guesswork is removed from your decision-making.

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Creating an effective business plan isn't a five-minute exercise. Critically it must be your plan, not something put together by an accountant to keep the bank happy.

However, it is very difficult to create an achievable and meaningful plan without a trained professional to guide and assist you and your accountant should be ideal for this role.

The plan should never be seen as fixed. It will continue to evolve, both during its creation and implementation.

PLEASE NOTE:

We have a cost-effective programme for helping you to create and maintain this critical business tool. It's your plan but we use our expertise to facilitate and help you complete it.

Financial Mistake #2

Failure To Keep Good Financial Records

We know what you're thinking...typical accountants banging on about the boring stuff! Well, here are two facts that you may not be aware of...

1. Failing to maintain proper records is, in many cases, illegal and can lead to personal prosecution.
2. Failing to maintain proper records is recognised as one of the main causes of business failure in the UK.

Imagine taking your car on a long journey (again) without any dashboard information being available to you. You don't know what speed you're doing, whether any faults are developing or when you are going to run out of fuel.

You may think that you have enough driving experience to be able to gauge these things in your head but at some point you are going to get it wrong and there is nothing to tell you otherwise. You are heading for trouble.

Running your business without good financial information is exactly the same. You may think that things are okay but you have no meaningful record of what you've actually done and, more importantly, what's coming up.

"I don't have the time" is the most common excuse we hear, followed by "I'm not an accountant, I don't know how". In reality they are saying "I don't think that it's important and I can't be bothered to sort it out". When you consider that the alternative is prosecution or business failure then any excuse seems pretty weak.

It's all well and good having an accounting system in place but if it's not kept properly or up-to-date then you still can't get hold of accurate information on your business as quickly as you need to.

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We come across businesses which have invested in an accounting system such as Sage, for example, but use it for little more than doing their VAT returns. A wasted investment and opportunity. If you don't have up-to-date, accurate accounting records then:

1. You have no reliable information to assist you with your everyday business decisions;
2. You pay unnecessary fees to your accountant;
3. You cannot supply information to your bank, mortgage lender, etc., and therefore can't get financial help when you need it.

In other words... You put your business at serious risk.

PLEASE NOTE:

We know you have many priorities to address when running your business but we can help you fix this one easily...

1. Get one of the many cost-effective 'off the shelf' accounting software solutions available – we can help you select the right one.
2. Get some training, for you and/or a staff member. Again, we can help you with this.
3. Set up a regular reporting system, giving you the key information for running your business and making the right decisions. We can talk you through what is best.

The solution is simple. A little training and guidance from us. It will pay for itself many times over.

Alternatively, we can come out on a regular basis and do it for you. Give us a call and we'll talk to you about the best option.

Financial Mistake #3

Not Selling For Your Best Profit

Do you really know how much profit you make on each and every sale? Do you even know if you make a profit? Many businesses are unaware of the exact profit they make as they don't monitor closely enough the different elements that go to make up the sale. Costings are generally incomplete or outdated. Price lists are not regularly reviewed. Sales volumes and sales mixes change and become out of step with the costing model.

A simple check lies within your management accounts and is yet another reason why you must keep these up to date. Monitoring your gross profit percentage will identify any negative trends before it's too late.

If you don't have a tried and tested costing system in place for your goods and services then it is vital that one is created.

With so many variables influencing your costings they should be regularly reviewed, at least annually and after key economic changes.

Regularly review your own price lists and match to your costings.

Closely monitor gross profit yields.

PLEASE NOTE:

It goes without saying that we can help you in these areas, by creating a new system for you or reviewing the accuracy and validity of your existing ones.

Financial Mistake #4

Not Billing Promptly ...If At All!

Fundamental to any commercial operation is being paid for any sale. The hard work associated with a sale together with costs of product and marketing have all been incurred. Yet we still come across many businesses who simply don't know whether they have been paid or not!

The main reason for this is simply that they don't have a system to ensure that all sales are invoiced.

The cost to any business of weak controls in this area can be catastrophic. Like many things, however, the solution is relatively simple. It comes down to having a good physical and accounting process in place.

A good exercise is to produce a flow chart of how your goods and services are stored, processed and billed. This will identify physical and accounting weaknesses to be addressed.

PLEASE NOTE:

We can come in and independently audit this process for you.

It's one of those exercises that pays for itself by identifying and blocking the holes currently leaking profit.

Financial Mistake #5

Making It Easy For Customers Not To Pay

Good credit control starts long before you get on the phone to chase overdue accounts. You can dramatically reduce the chance of disputes and bad debts by being aware of the risk from the moment they first become a customer. The damage has already been done by the time you raise your invoice unless consideration has been given to some key areas first:

1. Credit and background checks on new customers
2. Annual reviews of existing customers
3. Clear and concise terms and conditions for all customers
4. Clear and precise order, despatch and sign-off system

If you have a clear record that the customer has received exactly what they ordered, fully in line with terms and conditions that they have agreed, then disputes are going to be significantly reduced.

If you have taken every step to ensure the financial security of the customer then bad debts are going to be significantly reduced.

Now, you complete your defences by having a robust system of credit control aimed at managing the payment of every invoice and you have an effective system for ensuring your hard work is properly rewarded.

PLEASE NOTE:

We work closely with clients in creating such systems.

Financial Mistake #6

Paying Too Much

Watching the pennies is as good advice now as it has ever been. Often a money-saving opportunity is missed because it seems insignificant given the grander picture. The truth is that the opportunities for dramatic savings are rare whilst a range of small savings over a period of time can have the same effect but are much more achievable. Taking just 1% or 2% off each line of your overheads will be significant year on year.

There is a balance to be achieved between cost and value. Cheapest often isn't the best and you should be looking to achieve best value for your budget as opposed to the lowest possible solution.

It's too easy to cut back on 'soft' spending such as training, marketing and non-essential advice, but all are critical to the development of any business.

The key is to ensure that your spend in these areas is cost-effective.

PLEASE NOTE:

We regularly assist our clients with cost reduction exercises across their overheads as part of our 'Profit Improvement Service'.

And on the subject of the cost of advice, all the work that we do with clients is tailored specifically to fit their individual budgets.

Look out for Part 2 tomorrow!