

**The 27 Common  
Financial &  
Marketing  
MISTAKES**

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



# Financial Mistake #7

## Failing To Account For Regular Overheads.

**E**very business should know when it is due to pay its wages, rent, tax and VAT and also have a good idea of how much they are going to be. But when it comes round to paying them, they are often the overheads which many business owners simply don't have the cash flow for, and it's these bills which cause many businesses to go under.

The reason is partly understandable as these tend to be big bills but it is often a symptom of an internal problem as the business fails to account for them.

A cash flow forecast is a fundamental management tool for a business. It is the means by which future bills can be factored into current decisions and help to avoid spending money that ought to be allocated for other uses.

It is a policy that requires discipline, particularly for new and growing businesses and is a difficult shift to manage for a business already experiencing tight cash flows but it is the only way in which the situation will be brought under managed control.

Create or update a cash flow for your business. The process of recording known and expected 'ins' and 'outs' is time-consuming to set up but essential for a managed business. The timescale will depend on purpose but a rolling monthly and annual plan is fairly common. Over a period of time it will help to bring the business back under your control with more effective decision-making, helping to avoid unnecessary financial costs and reducing stress levels.

**PLEASE NOTE:**

We can help you to implement and manage a cash flow system for your business that will significantly increase your financial and management control.

# Tax Mistake #1

## Not Talking To Your Accountant

**T**he good news when it comes to mistakes with your tax is that they are very easy to avoid. There is one simple solution that will enable you to avoid every common mistake... **TALK TO YOUR ACCOUNTANT FIRST!**

Seriously, most mistakes made by people with their tax affairs arise out of understandable ignorance. Not only is tax law complex but it is inherently unfair and full of all sorts of inconsistencies and illogical pitfalls.

Without the prior involvement of an expert the chances of expensive error or missed opportunity are high.

**PLEASE NOTE:**

Tax mistakes are many and varied. What follows are just some of the most common and there are many ways to legitimately save tax. Our expert 'Tax Planning Service' will help you through the minefield and help you avoid all the common mistakes and of course help you pay as little tax as possible – the savings can be considerable with the right advice.

# Tax Mistake #2

## Thinking Tax Legislation Is Fair And Logical

**N**o it's not! Neither is the way in which it is applied by HMRC. Whatever the marketing men from the Revenue may say, HMRC's job is to use voluminous and complex legislation to extract as much tax out of you as possible regardless of your situation or intent.

**PLEASE NOTE:**

Proper planning and paper trails are your defence against all forms of HMRC attack... TALK TO US FIRST!

# Tax Mistake #3

## Assuming HMRC Will Respect Good Intentions

**O**nly if it suits them! You may have acted for sound financial or commercial reasons but that argument will count for little in the face of a Revenue enquiry.

**PLEASE NOTE:**

Proper planning and paper trails are your defence against all forms of HMRC attack... TALK TO US FIRST!

## Tax Mistake #4

### Thinking “Everybody Does It In This Business... I’ll Get A Slap On The Wrist If I’m Caught”

**T**his is not the 1970s. HMRC take tax evasion of any form extremely seriously and use the law courts to their full in order to criminalise those who break the law. Even where legal action is not followed through, the penalty regime is painful and there is still the tax and interest to pay.

The fact is that any business not taking its tax responsibilities seriously is heading for a fall...so, no, they don’t all do it these days! A good, well-run business is tax compliant because it can’t afford to be anything less.

**PLEASE NOTE:**

We run tax health checks for our clients to improve the effectiveness of their tax compliance and reduce the risk and cost of a tax enquiry. For those with a problem, we can handle negotiations with HMRC to minimise the damage.

# Tax Mistake #5

## Trying To Change Things After The Event

**M**ost transactions are date-sensitive when it comes to tax. Key deadlines are just that and tax planning is always more effective if it is done whilst there is still time for it to work!

**PLEASE NOTE:**

Where tax is concerned you have to plan, plan and plan. Our Tax Planning Service can be completely tailored to your requirements and budget to ensure you're taking advantage of all the best and most up-to-date tax saving strategies.



# Tax Mistake #6

## Keeping It All To Yourself (1)

**K**eeping everything that you have within your grasp may feel safe and secure but sharing assets and income around is an effective means of reducing personal tax liabilities, in life and death.

However, it comes with a health warning as sharing assets around can be no paper exercise.

**PLEASE NOTE:**

If you want to save tax and be properly informed of all the risks... TALK TO US FIRST!

# Tax Mistake #7

## Not Paying Attention

**P**ersonal and corporate deadlines for filing tax returns are known many months in advance. Yet every year, £millions are paid over in late filing penalties simply because individuals couldn't be bothered to get themselves organised.

**PLEASE NOTE:**

Harsh-sounding but true in the vast majority of cases...We advise clients well in advance of their filing dates and work with them to meet the deadlines...but it's a team effort.

# Tax Mistake #8

## Not Keeping Proper Records

**W**hether it be your normal accounting system or a specific tax-sensitive transaction, your defence to HMRC enquiry will depend on the quality, accuracy and correctness of your records.

**PLEASE NOTE:**

We run tax health checks for our clients to improve the effectiveness of their tax compliance and reduce the risk and cost of a tax enquiry. Where specific tax planning has taken place we ensure a full and proper paper trail... as always...  
**TALK TO US FIRST!**

# Tax Mistake #9

## Keeping It All To Yourself (2)

**H** MRC know that they will collect most from you if they can keep you trading and give you a future. Consequently they will work with you on managing your liabilities providing you keep them informed and are open and honest with them.

Ignore them or treat any financial arrangements casually and you will feel the full force of their collection powers.

**PLEASE NOTE:**

We help clients to manage their financial affairs with HMRC, acting as both adviser and liaison.

# Marketing Mistake #1

## Marketing To Everyone

“You can’t be all things to all men.”

**W**e know this may come as a shock to you, but it's true. You cannot hope to market your products or services to everyone even if you think everyone needs them.

We’re not saying you can't be successful doing this. What we’re saying is business owners really do limit their potential by not focusing on select groups of people or businesses. These specific groups are called ‘niches’.

By focusing on one or more niches you will connect with these people at a much higher level, and consequently automatically gain more business.

I'm sure you've heard people say things like, “This person really connects with me, and they really understand my business.” This is what you do when you choose to market to these different groups.

Think about it...

It stands to reason that certain groups of people or businesses are likely to want and need your products and services more than others. More importantly your niche must focus on the groups who can **AFFORD** your products or services. There’s no point in targeting groups who want and need your products or services if many of them can’t afford to buy or pay for them!

A common question we’re often asked is this – “If I limit my market, won’t I be reducing the chances of doing business with more people?”

Of course this is a concern you may have too, but to succeed in today’s competitive market place, you need to concentrate your marketing on a smaller number of well-chosen segments or niches, into which you pour all your marketing resources.

**A niche market is a specific group of people or businesses that want and need your service and can afford to pay for it!**

## NOTES

Because you are targeting smaller numbers, the same amount of money you were previously using to acquire customers is spread across a smaller number, and therefore you have more to spend on each prospect than you would if the market was bigger. This alone makes you more successful.

In a nutshell, the ideal niche market is the segment(s) that represents your best chance of getting a good return from your marketing efforts.

### **These niches are critical to you.**

Of course, if you focus on a smaller group you may not get the business of other people or businesses outside the target group. However, what actually happens is you increase the amount of business you receive from the target group(s) or niche(s).

This is because you are now specifically meeting the needs and requirements of the chosen niche. You're saying to them that you are THE company that knows about their situation. No other company specifically meets their needs in this way, and therefore you are seen as the logical company to turn to.

Here's an example to show the power of defining your market or niche...

Let's say you're a start-up business and you need an accountant. Your first choice is to look in the Yellow Pages® under the 'Accountant' category. Although there are a number of ads, the first one reads...

**'ABC Chartered Accountants. Tax preparation, auditing, bookkeeping, payroll services, help for start-ups, management accounts', and so on.**

The second ad reads...

**'XYZ Chartered Accountants. Specialising in helping start-ups get their businesses running quickly, profitably and effectively.'**

Which firm of accountants are you likely to choose? The answer is obvious, but it serves as a good example to show how effective this strategy is – yet how widespread it is that few businesses follow this simple approach!

## NOTES

If you can create this bond between you and your niche market(s) we guarantee you'll grow your business to unprecedented levels. That's the power of niche marketing. By concentrating on specific groups, you can achieve very high market shares in that particular segment because people automatically come to you.

### You will 'own' the market.

You're viewed as the only choice because your product or service is 'designed' to solve the specific problems of those people. An obvious example is SAGA who cater for the over-50s.

Not focusing on one or more niches is perhaps the biggest Marketing Mistake! And for you it represents your greatest opportunity!

#### ***SIDE BAR COMMENT:***

No matter what anyone tells you – your target market is by far the most important element of your entire sales and marketing and business growth.

Get this spot on, and anything is possible. Get it wrong and growing your business is harder and more challenging than it really should be.

Put another way, you can send a poorly written and executed sales letter to the right people and get decent results. Send a fabulous sales letter to the wrong people and it will bomb. That's why getting the target market right has to be the first and most important element of growing your business.

Look out for Part 3 tomorrow!