

Cash Is King

It is an old, but nevertheless valid truism that businesses need to look after their cash. Yes, I hear those who talk of sweating their assets disagree, but in difficult times the stress of such an approach can be injurious to the wellbeing of the business.

It has become more difficult to keep lines of credit with banks. Post the Basel protocols banks now want customers to take out fixed term loans or secured facilities such as sales ledger finance. Many prudent businesses still retain access to some credit, despite not needing it on a day to day basis. It is

always much harder to buy a broly after it has started to rain!

In tough times it is important to prioritise payments, and where payments cannot be made, enter into a dialogue rather than leave the creditor guessing. Landlords do not want to lose good tenants! Delayed payment of tax liabilities, whether sanctioned or unilateral, can also create credit. However, be mindful not to create personal liabilities. HMRC will pursue fraud carried out by directors. Think mezzanine debt - borrowing from a multitude of sources.

Keeping good management accounts is always important, but is now essential. For how can one forecast without

decent accounting records?

Now and in the future do not distribute more cash than a business can afford. Many businesses are weathering this storm with a modest amount of cash and access to credit.



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1. Payroll can be complex and takes time and expertise. We provide a cost-effective service and you can spend your time focusing on your business.
2. You will save the cost of buying your own payroll software and payslip stationery.
3. You will not need to have your own trained payroll staff. This also minimises the risk of fraud.
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FOUR WAYS TO MAKE THE MOST OF YOUR EMPLOYEES

'A company is only as good as the people it keeps' Mary Kay Ash. A thriving business can be further enhanced by developing an understanding of the employees within. Successfully matching challenges, priorities, culture and risk appetite of the two allows maximum productivity.

Effective management lowers staff turnover and sick absence, and tailors employee development. Benefits reduce recruitment and training costs, impact client continuity and job efficiency to improve client relationships driving higher turnover.

Motivation Reflect how the employee's motivations and ambitions can be aligned to Company requirements. Link goals to individual development, considering contribution to the Business. Invest in common traits that benefit both parties. Implementing across teams

allows cost efficiencies and pockets of specialisms to develop. Even activities across non-work goals help establish a stronger community.

Communication A few simple rules vastly improve effectiveness when managing a team. Always explain the Why. Provide context and allow questions so that any concerns can be incorporated ensuring constant evolution. Installing belief and confidence in employees is vital to continued development and is easily done with praise. Balance criticisms by initially praising; it makes improvements easier to accept. Adjust your perspective to that of the other party. Taking the time will be appreciated. Discuss how work is monitored to standardise expectations.

Culture The habits of success can be incorporated across the company

by introducing small practices. Show gratitude for new ideas, completed projects and contributions that go beyond expectations. Benefits linked to such targets incentivise. Team days outside the workplace environment encourage investment in the business, stimulating reflection across departments.

Welfare Prioritise mental wellbeing to avoid burn out and enhance consistency. Work efficiency is maximised when work is treated as a series of short blocks not a marathon. By setting shorter term goals, focussing on immediate projects and then factoring in recovery, performance improves. Breaks are also shown to enhance innovation by reducing stress. Relaxation promotes lower frequency brain waves, correlated with an increase in creativity.

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Work Smarter

So the gurus proclaim it is time for a workplace revolution. However, in this stampede to Nirvana ensure you consider the basics. Are there realisable benefits from changes to work practices?

Some of reasons we congregate for work are for supervision and training. Generally, the more senior the staff the more independent they are. Although, this is not true in complex or multidisciplinary vocations such as manufacturing or health care. Homeworkers can become distracted and demotivated and the time saved commuting does not accrue to the employers. Information transfer is assisted by IT, but it can lack the subtlety of a face to face encounter.

Home working may actually lead to increased costs, as costs are duplicated at work and at home. This is particularly



the case if the employee retains a fully serviced workspace at the office. Also it can be very inefficient to heat a large house for one person working from home.

There are also the intangibles. The chats around the photo copier and the Esprit de Corps of the work unit. People normally are more considerate to people they know and see regularly. If badly managed, departmentalism can give way to total individualism, contrary to the needs of the business.

Things are changing, but ensure that you and your business gain the benefits and minimise the costs of this evolution.

VENTURE CHARTERED ACCOUNTANTS

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