



AVEGNA

December 2009 Newsletter

Financial Control Tips for Kick Starting Your Business in the New Year

Give Everyone a Holiday!

It is amazing how much annual leave liability small businesses have without even knowing it! Because most small businesses are not subject to the Financial Reporting rules of Public companies the amount owed for annual leave is seldom calculated and reported to management.

Do yourself a favour and do this exercise now. Find out how much leave all of your employees have owing to them and calculate the cost of this at the current pay rate. Surprised? I'll bet a lot of you are!

It normally always comes as a shock to most business owners in Australia to learn that if only half of your employees take their leave entitlement during the year you may have a leave liability (the amount you will have to pay if they leave) of the equivalent of two weeks of pay to everyone in the business. How much is this equal in your business? And the less leave employees take the more you have to pay when they leave. Ouch!

Shut the business for two weeks and get your employees to all take holidays over the Christmas break. Let's face it this is normally the most unproductive time of the year, so why waste money running business or paying employees to sit in the office when you don't need to. Not only are they not doing anything productive but they are accruing more annual leave that you have to pay for eventually. Close the business and send everyone home to have a holiday with their family.

Don't Waste Money on Advertising

The key word here is waste. We are not saying don't advertise. In fact you should advertise. But Christmas time is media overload, junk mail, radio ads, TV campaigns, special offers, discounts... it all becomes a bit much. What we advocate is carefully planning your marketing and advertising spend to ensure that if you are going to advertise this December then the message hits your intended target. Don't spend just to "keep up with the Jones's" it's a waste of money!

Generate your January Revenue Now!

Let's face it nothing much happens in January. Most businesses are closed for at least the first week and sales revenue is normally very slow to get underway in January. What to do? Plan a promotion, a giveaway, a special pre-sale or perhaps a new product launch, something out of the ordinary for mid January just after businesses and people return to work. By creating interest now or planning ahead for January you may be able to give your business revenue a kick start when it needs it most!



AVEGNA

Carefully plan Your New Year Cashflow

January is a notoriously slow month for cashflow. You need to be forecasting this now! Keep the reminders out to your clients and carefully decide who you will pay during January. Also it is always handy to keep an emergency fund aside for just such occasions. This is normally done by planning well in advance during the year. So if not this Christmas, perhaps plan in the New Year for your next Christmas.

For any further information on the issues covered in this article please contact us. We offer a free, no obligation initial consultation.