



TIME TO SPRING CLEAN YOUR BUSINESS

Giving your business a thorough going over will make it leaner, more efficient and profitable but knowing when to cut your losses is as important as knowing how to make things work and not even iconic loss-leading products should be immune from a good spring clean when it comes to achieving your strategic goals.

SMALL CHANGES CAN BOOST PROFITS

Hypothetically speaking, there are hundreds of ways in which your business could save money that means keeping a constant look out for cash leaks and regularly discussing where costs can be cut or money made. Indeed, everything that your company can buy exists in a liquid market where prices rise and fall. Energy values are going up at the moment, for example, while broadband and mobile phone tariffs are coming down. It also pays to keep macro economic data in mind.

STAFF BENEFITS

Salaries, bonuses and expenses are almost always a company's biggest costs, so it makes sense to start here. Be careful, however, because over-zealous tinkering could lose you your best staff members. Salaries and bonuses are the best way to incentivise employees but there are other ways of ensuring staff loyalty and productivity such as flexible working conditions, training and days out are alternatives. Some of these are tax deductible, so why not give them a go.

TECHNOLOGY

For many small businesses, technology is confusing and elusive. It is always difficult to pin down exactly why it costs so much. However, knowledge is power in this area and it pays to understand the basics. When looking at your IT infrastructure, make comparisons and see who is offering what. Prices of software, hardware and technical support may well have come down since you last looked, so it is well worth putting in some legwork.

WHY NOT GO GREEN?

By making small cuts, you could save yourself a lot of money. Small changes such as installing energy saving light bulbs can make a huge difference.

CHECK YOUR ENERGY CONTRACTS

All businesses must get to grips with understanding their energy contracts; it is important to remember when they run out and know what clauses are involved. This is especially the case when it comes to 'evergreen' contracts, which automatically renew unless notice is served 90 days before the contract ends.



CUTTING THROUGH THE RED TAPE

In general, it is important to know your legal obligations when making changes to your business. Employment law, for example, has a long reach and any major decisions in this area should be carried out only after consulting your legal team. People must be informed of changes to their contracts in advance and have a right to question the decisions you make.

Business laws and taxes are, of course, extremely complicated and a good working relationship with your accountant and lawyer is one of the best ways to ensure compliance and avoid hot water.

Beware of latent problems such as environmental liabilities and pension liabilities. Over time these can grow unnoticed and destroy value in a business.

Finally, do not fear the prospect of a systematic spring clean – like scrubbing the cooker or defrosting the fridge you'll feel better when it's done. The more comprehensive the sweep, the more savings will crop up, but a quick fine-tuning here and there should help margins too.

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