

Money Matters

A series of weekly articles by Quintas Experts

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NEW BUSINESS start-up tips

Starting up your own business can be a daunting task for anyone, and unless you are an accountant, the bookkeeping and accounting element of a new start-up can be especially testing. The current environment is posing significant challenges to new, small businesses, therefore getting all of your ducks in a row on start-up is vital. One of the most important 'ducks' is your accounts. The following are some useful start-up tips that every individual should consider:

1. Start off on the right foot

Make your business accounting function a habit. Set aside a regular time period every week to gather your records together, check and file documentation, invoices and bank statements.

2. Separate your banking activities

Small business start-ups, especially sole traders, often use their existing private bank accounts to conduct their business activities. By keeping separate bank accounts for your business and personal activities, you will save yourself (or your bookkeeper) hours of work analysing transactions that have nothing to do with your business.

3. Keep it simple

Do not overcomplicate your structures or records. It will only become confusing and end up distracting you from what's important.

4. Value good advice

Get professional financial advice early in your start-up process. A little money spent early on can save a fortune correcting possible mistakes down the line.

5. Software packages

There are many very good accounting/bookkeeping packages out there, some of which are very inexpensive, are relatively easy to use straight out of the box, and will do everything a small business would require, including Sales Invoicing, Debtors and Creditors Control, Bank Reconciliation and VAT Returns. Consult your financial advisor as to which package best suits your needs.

6. Don't forget to get paid

This might seem obvious, but if you are not regularly tracking your invoices and debtor balances, invoices, and by default, payments will be missed. Months of extra credit will be lost to customers. The vast majority of customers will not volunteer payments and will need, at the very least, regular statements and gentle reminders.

7. Sales to family and friends - value your service/product

Do not be afraid to ask for payment for services or products supplied to family or friends. Offer a discount if you wish, but value the work, service or product that you provide.

Starting your own business presents a significant number of challenges to even the best entrepreneur. Whether it's accounting, marketing, product development, sales, manufacturing, banking, etc., early planning and organising will help you face those challenges in a properly prepared manner

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