

BETTER SYSTEMS BY DESIGN

Delivering value and efficiency

A STEP-BY-STEP GUIDE TO IMPROVING
BUSINESS ACCOUNTING SYSTEMS
FOR SME OWNERS



MENZIES
BRIGHTER THINKING

Outsourced Services Insights Report



Foreword

Small and medium-sized businesses rarely give as much time as they should to streamlining processes and improving the way they operate. Business accounting systems are often taken for granted and may not be delivering the time savings and data-based insights needed to drive the business forward.

Today's easy-to-use online accounting systems have changed all that and business owners can build their own bespoke solutions quickly and easily.

In partnership with online accounting software provider, Xero, Menzies LLP is offering business owners an opportunity to design systems capable of processing financial and other data quickly and easily; capturing it all in one place. Updated on an ongoing basis, this real-time information can be accessed by key decision makers anytime, anywhere, using any device.

The benefits of designing your own financial and data management system include:

- Real-time financial information
- Agile decision-making
- Reliable business forecasts
- Simplified processing of invoices and receipts
- Data-based insights to drive operating profits
- Time to carry on running the business

“*Many small and medium-sized businesses are using systems that are completely out of date. These systems are eating into precious management time and failing to provide real-time access to critical business data. It's time to change things for the better.*”



Oliver Finch
Associate Director
Head of Outsourced Services

Your systems might need updating if...



You are spending too much time inputting or processing financial information



You are still storing paper copies of invoices and bank statements



You sometimes lose receipts or forget to log and claim business expenses



Business forecasts are either non-existent or not as accurate as you would like



You sometimes put off investment decisions because you don't have access to reliable business forecasts



You regularly review generic reports, which aren't tailored to the needs of the business



At Xero, we understand the importance of choosing online tools that meet the needs of your business. It's therefore important for us to partner with organisations like Menzies who help to deliver the best experience for you, whatever your business.



Gary Turner, co-founder and managing director at Xero

5 steps to updating your financial & data management systems



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Step 1



Review your financial and data management systems

Business decision makers increasingly rely on access to accurate, up-to-date information but often the systems and processes used within their organisations let them down. By the time they receive a set of monthly management accounts, the information is already out of date and opportunities to make important decisions about pricing strategy or cashflow management, for example, may have been missed.

Access to real-time information, which is tailored to the needs of the business, can help the management team to become more agile; allowing them to intervene appropriately on a daily or even hourly basis, to take advantage of opportunities or address financial issues.

Before putting in place a more efficient accounting system, which is geared to the needs of the business, a review of existing processes is needed.

Step 2



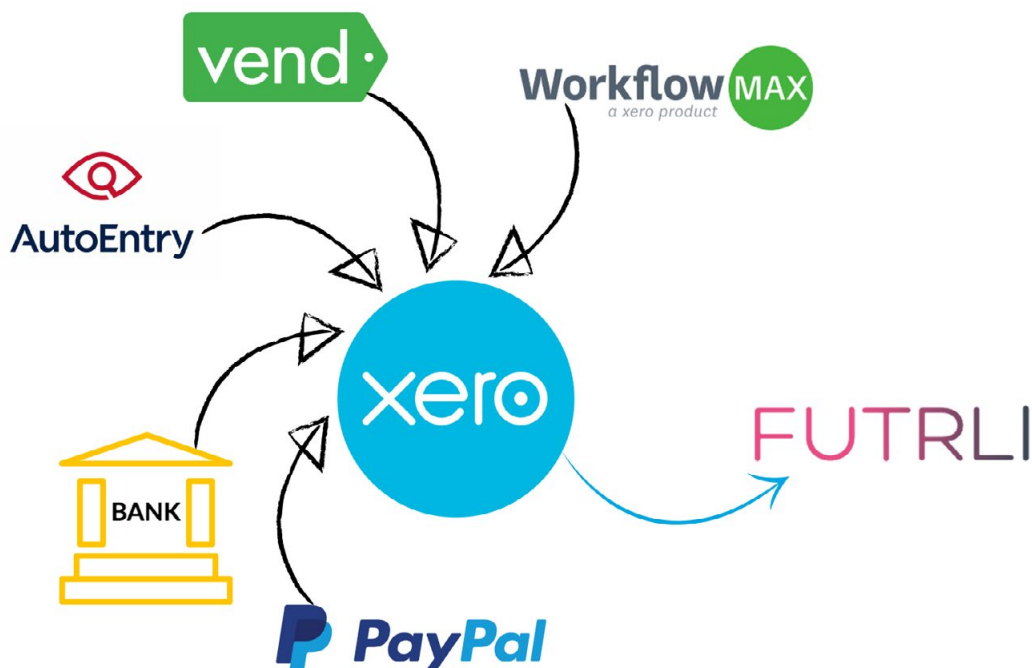
Design your own system to suit your business

Businesses often have varying priorities and operate differently, depending on the needs of the markets they are serving. Some businesses prefer to draw down up-to-date sales data to inform managers on a daily or weekly basis; allowing them to make decisions about which products to push or highlighting where prices need to be adjusted. Other businesses, which are operating at low margins, may need access to accurate cashflow information on a daily or hourly basis.

Switching to an online accounting platform, such as Xero, allows business owners to design a universal system which is capable of capturing and storing key data all in one place. It is then much easier for key managers to access the information they need, whenever they need it.

By linking compatible apps and integrating them into the bespoke system, businesses can create a solution that matches the needs of the business precisely.

An example of a bespoke system designed and built around Xero



Step 3



Implement your new system

Once created, you will want to implement the new, bespoke system immediately.

However, if you want it to be available to managers across the business, it may be necessary to carry out some training first. You may also want to allow a couple of weeks to trial and refine the system, or to assess if apps and other add-ons are delivering the data you need. Specialist training can be delivered by remote webinars or locally across your sites.

Step 4



Interpreting data and making space for advice

Business owners may need help interpreting data and understanding how it could be used to improve efficiency and drive business value. Trusted advisers can help with this and make sure the benefits of the new system are fully utilised.

Business owners can also choose how they would like the data to be presented – for example, they can opt for comprehensive reporting packs or easy-to-view data dashboards showing relevant key performance indicators.

By removing the need to input and process larger quantities of data, the new system will buy you more time to focus on the activities that make the most difference to business performance. It also frees up your trusted adviser to add value to the business in other ways.

Step 5



Delivering on your business objectives

As well as helping to improve efficiency, a bespoke online accounting system can help the business to deliver on its long-term objectives. Business owners should consider how improved access to data can support business operations and assist its long term business plan.

Case study: Climbing centres make gains from new systems



Founded in 2007, Arch Climbing Wall Ltd is the brainchild of leisure sector entrepreneur, Fred Stone, who first discovered the joy of climbing while an undergraduate at the University of Oxford.

Fred's vision was to create centres giving everyone, regardless of their personal fitness level, a chance to experience the sense of achievement that comes from climbing. Investing his own money, he opened his first climbing wall near London Bridge in 2008.



However, Fred didn't stop there as he planned his next steps to expanding the business. He closed the first centre and opened a new climbing centre in a much bigger warehouse space at the Biscuit Factory in Bermondsey in 2012. Business picked up and within a year, his annual turnover had reached £1m. In the years that followed, two further centres were opened – one at Building One Bermondsey and another at Edgware, North London.

“We were spending too much time entering financial information into spreadsheets. As operations grew, we needed to focus more time on gearing up to fulfil the next step in our business plan. We also knew how important it was to keep a close eye on cashflow.”

Dave Brown, CFO at Arch Climbing Wall Ltd

With a lean management team consisting of just Fred and his chief financial officer, Dave Brown, the business needed to streamline its financial management systems and asked the advisory team at Menzies LLP to help.

Since deciding to adopt Xero's online accounting platform, Dave has been impressed with the benefits it has brought. He said: "As a multi-site operation that attracts a high volume of low-value transactions it can be difficult to keep track of where real value lies. The online system, which is incredibly easy to use, gives us access to up-to-date financial information wherever and whenever we need it."

The bespoke system makes use of apps such as Receipt Bank and Vend to meet the precise needs of the business. Receipt Bank allows users to process individual expense invoices automatically by taking a photo on a smartphone and entering a brief description. Vend makes stock management at the centres' retail outlets easier too and provides insights to inform management about which lines are selling and how quickly.

“Dave knew there was a better way of doing things and just needed a helping hand to update his financial systems and gain access to accurate, real-time information. Both he and Fred are now fully equipped to make day-to-day business decisions and they have more time to pursue their strategic goals too.”

Kevin Newman, outsourcing manager at Menzies LLP

How Menzies can help

Switching to an online accounting system, which is tailored to the needs of the business and gives you access to real-time information, will save you time and improve efficiency.

Menzies can help your business with:



Complete systems
review



Implementation
support



Access to reliable
business advice



FD support
services



Data support
services



Xero certification
and training
(for managers and
business owners)



Business planning
workshops



Systems-related
due diligence



Flexible delivery
options to our
clients

Who to contact

To speak to a specialist adviser about how to update and tailor your accounting systems, please contact the firm's [outsourced services](#) team.

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