

Key Factors for a Successful Business

A client asked us recently “what are the key factors for a successful business”? We think the following are some of the important factors to take into consideration:

- Think about “scaling up” your business from the very beginning of the business, no matter how small the business. This means implementing systems, regular meetings, adopting business strategies, thinking about the future, thinking about your exit strategy.
- Appoint a mentor – someone who understands business who you can talk to.
- Appoint a board of advice and then, as you grow, a board of directors.
- Determine a meeting schedule relating to your team, advisors and board of directors or board of advice members.
- Your team – you will need a schedule relating to daily, weekly, monthly meetings.
- Establish a system that will determine a weekly profit/loss estimate for your business.
- Undertake a risk management review and establish risk management procedures relating to:
 - insurance policies
 - Personal Property Securities Register Registrations
 - protection of intellectual property owned by the business
- Know your customers – their demographics, preferences.
- Allocate key responsibilities to your team members or external advisors so that you have an “executive team” you can discuss issues with daily/weekly including:
 - operations
 - purchasing
 - marketing
 - selling
 - chief financial officer/company secretary
 - legal
- Establish a debtors' system that facilitates the prompt preparation of tax invoices, debtors' statements and registrations on the Personal Property Securities Register (if necessary).
- Establish a system for the recording of the business' investment in inventory and the determination of inventory management information.
- Establish a system for the recording of work in progress, in particular the identification of any jobs that are not being invoiced regularly.

- Establish a monthly reporting process to include:
 - detailed financial accounts prepared on an individual operation basis
 - operational reports prepared by the manager or person in charge of each operational unit
 - comparisons to budget
 - strategies for the next month
- A schedule of management team meetings to be held on, at least, a monthly basis.
- A schedule of board of directors or board of advice meetings to be held monthly or on some other basis that ensures that there are at least 6 meetings per annum.

Please do not hesitate to contact any of the team in our firm for a discussion on the development of strategies for the operations of a successful business. Lyall Bear is our specialist business advisory consultant and can assist you.

Disclaimer:

Business Plus is distributed monthly by CBSW Tax & Business Advisors to provide information of general interest to our clients. The content of this newsletter does not constitute specific advice. Readers are encouraged to consult their CBSW advisor for advice on any specific business matters.

Providing you
professional
direction



Our liability may be limited by a scheme approved under Professional Standards Legislation.