

Articles Program



2011 resolutions for a more successful business

This time of year seems to be “resolution-making time”, so take a few minutes for yourself to think about how you can make your business better in the new year.

Chartered Accountant and Chartered Insolvency and Restructuring Professional André Bolduc is Senior Vice-President at BDO Canada Limited in Ottawa. He has worked with businesses of all types and sizes, seeing them through the challenging times as well as the good ones. Here, he shares 10 resolutions that you can make to help accelerate your business’s success, and maybe even relieve a little of the stress that comes with being an owner.

Live within your means - This mantra is as true for your business finances as your personal ones. For small businesses, financing is tough to get, Bolduc says, and insufficient funding is one of the main reasons that start-ups fail. Be realistic. If you can’t get the money you need, scale back plans to fit the funds you do have.

Learn what you need to know - Usually, mismanagement is lack of knowledge. Product information and sales experience are a good start, to be sure. But running a business involves staff and complaints, scheduling, budgets and lots of mundane tasks, like getting the parking lot plowed. These things don’t just eat-up time – many duties call for professional skills.

Get and stay informed - Bolduc always knows a client is in trouble when they can’t give straightforward answers to questions about the business’s finances. Know how to read and understand your books and financial documents. Get monthly statements. Review them often with your Chartered Accountant and anyone else who can evaluate your situation with a trained and objective eye. Set targets and track your performance each month. Pay close attention to your gross profit, your margins by product line, when payments are due and your cash flow. It’s the only way to know if your business is sound and your money is safe.

Get technology working for you - Start the new year off by updating any software that requires it. Make sure you’re taking the proper measures to protect your electronic information. Small businesses often don’t need large, expensive equipment to get the same fast, state-of-the-art services that the big guys have. It can be found at reasonable prices so be sure to shop around.

Review your receivables - A business’s worst 20 per cent of accounts can occupy 80 per cent of an owner’s time, says Bolduc. Be realistic about who your really valuable clients are, and set the money-losers free. Use the time you save to find new, responsible and profitable customers.

Save money and build equity - Here's where "resolve" meets "resolution". Put something away for a rainy day. You never know when business may dry up or you'll want to take a month off. Life is easier when you have choices and decisions are proactive rather than reactive.

Get your money and property working for you - Finance long-term assets with long-term debt. Don't use your line of credit to buy machinery or you will have nothing left for inventory, emergencies and contingencies. Bolduc also advises clients to sell equipment they're not using and liquidate obsolete inventory. Generate some extra cash flow and free-up some space. With websites like Kijiji, it's easier than ever to sell things. A word of caution, however, if you're disposing of computers: make sure all data is erased properly first.

Help staff grow and develop - Never overlook the people who help make your business what it is. Involve your employees in your goals and plans for the business, and encourage them in their own. Empower them and give them the training and tools to succeed.

Build a team of expert consultants - Your lawyer and Chartered Accountant work for you, so get one of each. Meet with them regularly and take their advice. They've seen it all, and have other clients who have probably done what you're trying to do. You'll get more than your money's worth on any fees you pay.

Make time for yourself - Passion for your business is a must, but don't let it become everything. Make time for family and have enough outside interests to keep your life balanced, healthy and happy. Bolduc recommends you schedule down-time in your calendar, and guard it zealously. Recharge, de-stress and use some "me" time to set a few key goals for yourself - not just for the business. Make them specific, measurable and put them in writing. Then, take aim, channel your energy and watch them become reality!

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