

# *It's only a sale once you* **GET PAID**

You've perfected your sales pitch but unless the money is in the bank, the job is only half done. Fortunately the right business structure can help you manage your cashflow.

There are almost as many idioms in business as there are in sport, but the one that rings truest must be "cash is king".

By far the greatest pressure on businesses of all sizes is cash flow. Technology, in particular automated bankfeeds, has greatly improved the ability for SMEs to have access to contemporaneous accounting data for their business but it is still a reflection of the past. So, how do business owners accurately measure and predict their cash flow to ensure they can operate their business effectively?

"The utilisation of cloud technology has driven down the cost of bookkeeping services and made the completion of compliance work more efficient," says Will McDougall, Director of Chartered Accountants, Shorrock Partners.

"This should enable accountants to collaborate with business owners to provide strategic advice and assistance with the running of the business. Whilst most small businesses can't afford a full time chief financial officer, technology has made the concept of your accountant acting as a 'virtual CFO' far more practical and cost effective."

Managing growth is a critical phase for any business and a time that creates substantial risk as well as new opportunities, McDougall adds.

"Whether it is based around hiring another employee, signing a new lease or expanding to a new location, the additional stresses on cash flow can create a significant challenge," he says. "Doubling your sales may lead to increased profitability but it also creates additional funding requirements in terms of increased receivables

and stock levels, to mention two."

Take time to think about whether your current business structures suit your current business. A small business that began part-time in the garage as a sole trader might now be a thriving business. Is this still the right structure for you? Consider issues such as asset protection, capital gains and external investors before deciding on the most appropriate structure for your growing business.

"Capital gains tax rollover relief may help you restructure in the ideal way to ensure your business reaches its maximum potential without incurring significant tax consequences," adds McDougall. "Without the right advice you may miss out on opportunities and incur considerable costs putting your business on the wrong footing and limiting its ability to grow and thrive into the future."

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