

Accounting

Donna, accounting for a small business sometimes is often considered an unimportant task. Owners and managers focus on internal staff management, client satisfaction, sales and meeting their daily responsibilities... So accounting tends to fall into a category of a non-revenue generating portion of the business and frequently it ends up being done poorly or ineffectively.

The problem with this attitude is that it causes unintended issues and consequences. For example: I was speaking with Andrew Reade at a regional accounting firm and he told me that many companies that don't use proper accounting methods end up struggling because they don't know where they stand financially. Even a financially strong company may not know how much cash they have in the bank; they may bounce checks, delay payments to important vendors and possibly have trouble getting financing because of shoddy accounting and financial record keeping.

When I started my business I did the best I could. I did not use a computer program; I simply kept a paper ledger and met with my accountant periodically to make sure I understood the state of my company's finances. I eventually graduated to using a very simple and widely available accounting software package and it helped dramatically.

Here are a few tips to make sure your accounting is on track.

- *Get a basic computer based accounting program.* There are many popular ones available at under \$300. This will save you a tremendous amount of time and effort.
- *Consult with a professional.* I know you are entrepreneurial, but this is one area of your business you need to have organized. A CPA or bookkeeper should be able to easily help you set up a system for tracking financial records. This is important, if you don't have the fundsask a family member that has accounting experience if necessary.
- *Actually look at the reports.* I know this sounds obvious, but take it from me....I was always busy selling, managing and marketing my businessif I actually used the data I collected the first few years, operations would have gone much more smoothly.