



Financial Control Services for Small and Medium Enterprises (SME's)

Today's business environment is more complex and more competitive than ever before for Irish Small and Medium Enterprises. Against this backdrop, many SMEs and smaller owner-managed businesses have suffered as frequently, they have no access to the financial management skills which they need to run their businesses profitably, advises Barry O'Sullivan.

By Barry O'Sullivan, Managing Partner, O'Sullivan & Associates

Business Planning

Traditionally, the Irish SME market has invested in the bookkeeping and accounting skills necessary to keep their business compliant from a regulatory viewpoint e.g. maintaining proper books and records, submitting tax returns to the revenue and having their records available for their external accountant to complete end of year accounts. Many businesses do not invest sufficient resources in ensuring that their business has been financially well planned at the outset, in setting profit and cash reserve targets which will in turn deliver a return on the business owner's investment in the medium term. Without this foresight many businesses struggle particularly in challenging times.

While the closure of some businesses is unavoidable in recessionary times, well planned and well managed businesses stand a greater chance of survival and indeed may prosper as others fail.

Growing Businesses

A business that experiences significant growth whether anticipated or unanticipated will benefit immensely from the guiding hand of experienced financial professionals. O'Sullivan and Associates is one of an increasing number of Irish accountancy firms offering a part time Financial Control service for a fraction of

the price of a full time executive. This enables SMEs to avail of the services which they otherwise would not be able to access such as business planning, supervision and direction of the finance function, periodic management accounts for internal management decision making, restructuring of the business and assistance with cash flow management. The benefits of such tailored value added services far outweigh the costs

Rationalisation

In the current downturn, larger businesses are being forced to rationalise and cut costs and unfortunately this has resulted in many skilled financial staff being lost. These businesses still require the skills of an experienced financial controller but not on a full time basis. Outsourcing financial control services may be a cost-effective solution in these challenging circumstances thereby enabling businesses to survive, maintain their existing financial standards improve efficiencies and even gain competitive advantage.

Financial Control & Online Accounting Solutions

The availability of broadband technology, wireless technology and secure online accounting solutions has further enhanced the financial control service offering of accounting firms to the SME market. A significant element of the service offering can now be offered with greater flexibility as the traditional restriction

of having to be in one office no longer applies. While it is still important to have face to face meetings with the client on a regular basis, secure online accounting solutions permits the business owner and the accountant to be in different locations and for example review the latest figures in real-time, without having to formally meet thereby reducing travel time and cost. Additionally, the business owner may be abroad and need to review the latest accounts. As long as the business owner can access the Internet and has a secure Internet connection it is now possible to do this instantaneously with secure online accounting solutions, whether in Boston or Berlin!

Online accounting software is part of the growing trend of Software as a Service (SaaS) technology. This essentially means that a software application is hosted as a service provided to customers across the Internet. Software as a Service eliminates the need to install and run an application on the customer's own computer and alleviates the customer's burden of software maintenance, ongoing operation, and support.

In conclusion, it is important to point out that SMEs stand to gain more than just a cost saving by considering the part time financial control option. It might take some years to see the benefits of taking a more strategic approach to accounting advice but it could mean the difference between success and failure.

O'Sullivan and Associates is a Chartered Accountancy Practice specialising in advice to Small and Medium Enterprises to improve the financial management of their business in addition to offering core Accounting & Taxation compliance service.

Contact: O'Sullivan and Associates, 38 Roches Street, Limerick
tel: 061 217000 email: barry@osullivanandassociates.com, web: www.osullivanandassociates.com