

A simple Checklist

Graham Hodges & Associates work in every possible business area imaginable, which means that they have a complete range of skills available that can be used for your business.

Remember, every pound you save in most of these areas goes straight onto the bottom line, and if you work out the amount of extra turnover the company would need to bring in that extra 'profit' and how many extra customers they would need, then you will have a powerful incentive to make the savings using these services.

We have presented this in alphabetical form to make it easy for you to look up. At the end is a short list of the specialist leaflets you can obtain - just call Graham Hodges & Associates and we will send it to you.

Accounts

Are you still using manual systems or outsourcing your accounts to accountants? Very cheap accountancy packages are available for small businesses, even some shareware which costs next to nothing. For those companies already outsourcing their accounts or not wishing to do them in-house then outsourcing can be a very cheap option, ensuring that the company receives monthly management accounts and reconciliation information, thereby helping planning and controls.

Acquisition of another company or Merger

Mergers and acquisitions are normally thought to be only applicable for very large companies. This is not so and acquisitions can often be a very cost-effective and efficient way of expanding the business. Mergers can also be an inexpensive and efficient way of developing the business when there are insufficient funds to do what is necessary for the survival or expansion of the business.

Administrative Systems

Many businesses will either have no administrative system in place or an inefficient one which has evolved with the business with little planning. With many years of working with all types of businesses Graham Hodges & As-

sociates can help you to implement smooth and effective systems, delivering the consequential improvement in effectiveness.

Asset Protection

Asset protection is not only for larger businesses but every bit as applicable to the smaller business. Many will own expensive machinery or their own premises. It is important that these assets are protected in the best possible way. This can often be done utilising either offshore facilities or holding companies separate from the trading company.

Auditing/Accounting

One estimate is that 80% of all businesses are being grossly over charged by their accountants. Basic rules of thumb indicate that for the average business with a turnover of up to around £1 million the auditors fee should not exceed around £1000. For turnover from £1 million to around £3 million the fee should not exceed around £1200 to £2500. For turnovers over £3 million to around £5 million the fee should not exceed around £3000. These figures are of course approximate. It does also depend on what the accountants are doing for the company. If the accountants are doing anything other than the end of year audit and tax calculations, (such as quarterly VAT or management accounts) then it would explain why the charges are higher.

Bad Debt Collection

Sadly, this is becoming more and more of a problem for many businesses. Graham Hodges & Associates that can assist in this area; and this is usually on a "success" basis. There are many options, that can help businesses with this problem. There are also many companies "cold-selling" for business in this area. It is crucial that you choose a service that fits your needs and will not incur significant costs.

Bank Charges

One reported statistic is that four out of every five UK companies who have bank facilities in excess of £70,000 are being over charged by their banks for the facility. In these times of credit crunch, this figure could well be much higher.

Guide to

Services an A to Z

Providing Practical Advice

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With the company unaware of their overcharges, this is lost money and anything recovered extremely valuable. In the current economic climate, this can be a complex and difficult area from which to drive out improvements. Graham Hodges & Associates have the facilities to check for any overcharges and then negotiate with the bank to obtain improved rates.

Brochure design, Leaflets, Mailshots

According to the Institute of Marketing, 85% of all brochures and leaflets used by UK businesses are poorly designed. This problem is exacerbated by the ease of access to desktop publishing systems on PCs. At one time professional marketing companies would be contracted to design brochures and leaflets, but now everyone believes they can design their own with access to a PC. With so little understanding by a layman of the science and art involved in this sort of design, the majority of publications totally fail to achieve what they were designed for and so simply waste money and the company ends up with a failed marketing campaign.

Business Plans

With 85% of all small to medium businesses not having formal business plans, there is plenty of need for professionally written business and financial plans. Those who do not plan effectively run a very high risk of failure. A Business Plan is a written summary of what you hope to accomplish by being in business and how you intend to organise your resources to meet your goals. It is an essential guide for operating your business successfully and measuring progress along the way. Having clear goals and a well-written plan aids in decision making. You can always change your goals, but with a business plan you have some basis and a standard comparison to use in evaluating alternatives. A Business Plan establishes the amount of financing or outside investment required and when it is needed. It makes it much easier for an investor to assess your financing proposal and to assess you as a business manager. Through Graham Hodges & Associates, you can have access to experts who will help you to develop and maintain your Business Plan.

Computer Systems

Whether you have a single computer or network, you should seriously consider at least a basic maintenance contract. Graham Hodges & Associates are able to source inexpensive and highly competitive contracts for your computer systems. We can also carry out a complete review of your systems and recommend improvements to their effectiveness.

Credit Checks

Very very few SMEs bother to run credit checks on their clients or even prospective clients that request credit without a previous trading history with the company. There are excellent and inexpensive systems for running credit checks that can even go so far as to supply full financial reports on most companies giving their last four years' accounts with a complete financial analysis of the company. This is not only appropriate for running credit checks on clients, but also for checking out what the competition are doing as well as how your own company is perceived in the market.

Credit Control systems

With around 70% of UK companies lacking any formal credit control policy, it is not surprising that around £22 billion is overdue to UK companies. The majority of this is overdue to small to medium businesses and can be recovered through implementing professional credit control systems. Credit control software is also inexpensive. By putting your main customers on the credit risk alert system, tens of thousands of pounds can be potentially saved in the case of your customers getting into financial problems and leaving you unpaid.

Customer Care Systems

In legislation, the government is placing the responsibility on the company for a formal customer care system which allows for customer complaints to be formally processed. Very few companies have these formal systems in place. Apart from the requirements of the legislation, it is good business sense to have such a system in place. It is estimated that on average in the UK every business loses 50% of its clients every five years. It is easy to lose sight of how much cheaper and easier to work at keeping existing clients than chasing new ones. In an

SME, customer care should never be solely the job of those formally appointed to oversee the matter. There should be a complete 'customer care' culture built into the business so that every person, whether the most junior or senior person, whether in the production department or the finance department, becomes customer care orientated. We meet owners of many small businesses. The ones that are surviving best during this recession are those that put the most emphasis on looking after their existing customers. There are many aspects to this and some simple advice can put you into the same bracket as the successful companies, simply by retaining more of your existing customers.

Databases & Marketing lists

It is surprising how few businesses realise how easy it is to obtain databases & marketing lists for targeting potential customers. Such lists are available at competitive prices providing the name of the decision-maker, telephone number, turnover or employees within given postcodes. This can be an exceptionally valuable source of data for example for mailing lists for leaflet drops.

E.commerce and e.business

This is perhaps one of the most important aspects of a business strategy and is often only tackled haphazardly. A company needs to focus on an e.business strategy as opposed to a simple web site.

With most web sites being simply the company's ineffective brochures on the web, the company then wonders why the web site ends up ineffective and a waste of money. Little thought is given to integrating the site and its content into the business strategy or in ensuring that people can actually find the site through correct placement on the search engines. A separate brochure is available from Graham Hodges & Associates that describes the process that is needed to develop an effective e.commerce strategy; and implement it effectively to help your business grow and thrive in today's increasingly internet led world.

Employment Contracts, legislation & Records

By law, a business is obliged to keep formal and correct records, personnel files and employment contracts for

each member of staff. Many businesses are finding this very onerous and are failing to do so and are consequently facing large penalties and fines, particularly when an employee takes the company to tribunal. Tribunals are being lost by companies not because of an inadequate case by the employer but simply because of inadequacies in written records. Help can be provided to review all personnel records and assist with setting up that which is needed.

Exhibitions

Many businesses attend exhibitions, either in the UK or overseas. Taking stands at overseas exhibitions can be relatively inexpensive and an effective way of finding overseas clients. Having said that, these should not be taken lightly, that is without careful forward planning and the preparation required to ensure success. Often a business will have taken an exhibition stand over many years and “automatically” do this each year. Careful consideration of the benefits is needed to determine whether they still hold good.

Exit routes

Around 70% of all MDs of SMEs would like to plan for either their immediate exit from their business, or a future exit within three years. Do remember that maximising the perceived value of a business for sale can take several years to be done properly as most SMEs have been “lifestyle businesses” and so their formal ‘book value’ has been minimised on the balance sheet. A separate worksheet is available from Graham Hodges & Associates covering what needs doing for Exit Planning. Expert advice is available, initially free with “No obligations”.

Exporting (Overseas Agents & Business Partners)

Exporting has become much easier in recent years. Exporting can also be an excellent way of finding new clients and expanding a business. This is where the IIB truly comes into its own with an international network of over 5,000 Executives, there is a wealth of experience with excellent skills and services which will identify potential markets for you, potential agents and business partners, potential customers and supply comprehensive reports

on the intended market with details of who the best clients would be and who is already supplying.

Expense reduction analysis, purchasing services

All companies are spending money on basic ‘day-to-day’ items such as stationery, office equipment, office furniture, vehicles, power, etc. With all companies, there are savings to be made in many areas. Professional purchasing specialists are able to help reduce these costs. According to the UK’s Institute of Purchasing, savings of around 30% can be made in most of these areas in most companies. A separate worksheet is available from Graham Hodges & Associates covering Expense Reduction.

Financial restructure to reduce interest & charges

With many businesses having taken on a hotchpotch of varied loans and financial obligations over the years, one often finds that with a little restructuring of all the various facilities, thousands of pounds per annum can be saved in interest charges. Some companies have agreed interest rates on loans or mortgages a number of years ago when rates were much higher and are still paying those high rates. There are financial experts that can help with restructuring these loans. Many MDs would be surprised to know how relatively simple it is to raise extra finance or structure new loans for their businesses. They may have been turned down already; mostly because they have failed to present their case either in the right format or to the wrong person or wrong institution. Business Angel funding can often be obtained, through using a specialist company.

Franchising

This is a specialist business area, but there are many opportunities, both for the franchisor and the franchisee. There are many franchises operating profitably in the UK and they can give both the franchisor and the franchisee significant business growth. Specialist advice is available through Graham Hodges & Associates, whether you are the franchisor or the franchisee.

Healthcare

Company Healthcare plans should be seriously considered and can be quite

inexpensive. Few small business owners consider them relevant as they have not stopped to consider how serious problems could arise should they or key members of staff be off sick for even a relatively short period of time. Being able to state that the company has a Healthcare plan (whether it is contributory or non-contributory) can be the extra edge needed to attract the best staff.

Health & Safety

Health and Safety is a minefield of legislation for companies right now. This is particularly the case with it now coming under criminal law with directors being chargeable as criminals for infringements and being chargeable under manslaughter law. Formal health and safety procedures should be published for each company with appropriate manuals, displayed posters, and appointed health and safety officers. Just over 70% of companies would still fail a formal health and safety inspection by the HSE. A health and safety audit can easily be arranged to give companies the information they need to ensure that they are complying with the law.

HR - Human Resources

Ever changing employment legislation, culture, and the idiosyncrasies of the human species make employment a complex field; indeed large corporations have dedicated teams of HR professionals to administer it.

All too often in smaller businesses the employment of staff is overshadowed by all the other activities and pressures of the business operation. Sometimes some very crucial HR processes are simply not in place or are inadequate. An Employment Tribunal will not look favourably on any company with inadequate procedures. A separate worksheet is available from Graham Hodges & Associates covering what needs doing for Human Resources.

Incentive Schemes

Incentive schemes are very effective in even the smallest of businesses when constructed for both the company’s staff and the company’s customers. Incentive schemes for staff need not necessarily be financial. In many ways staff are more concerned with acceptance, recognition,

respect shown and fulfilment in a job than with financial gain. Effective staff incentives may take the form of their picture or name on the 'staff of the month' board, perhaps combined with a meal at the local restaurant.

Incentive schemes for customers would generally be linked to a discount structure which encourages the customer to place larger individual orders and an annual discount structure which would encourage the customer to place a final order towards the end of the 12 month discount period to take them up to the next discount scale. Where there is a major local show which is popular, then a company might consider taking a corporate tent or arranging corporate entertainment for their customers. By carefully choosing customer incentives and entertainment, the advantages can far outweigh the cost.

Insurances

Every company will be purchasing insurance of some sort. Most MDs never have the time to shop around for cheaper quotes or to check that they have adequate cover for all their needs and have allowed for the growth of the company. Graham Hodges & Associates can very quickly source the best deal for you.

Internet & Web-sites

There are still many small businesses that do not have a web-site, or use the Internet regularly. These businesses are falling behind their competitors. There are a proliferation of "experts" that will design a web-site for you. It is important to make sure you get the best service possible. Your web-site must reflect your own business needs, and be designed with your business plan in mind. There seem to be even more enthusiastic amateurs designing web-sites than brochures. You should be as careful over who designs your web-site as you are about who designs your brochure and leaflets. A separate worksheet is available from Graham Hodges & Associates covering the four key steps to good web-site design.

Invoice Financing (Discounting, factoring)

Invoice financing is the generic term which covers invoice discounting, factoring and other forms of financing

against invoices. Experience has shown that the most appropriate form for smaller businesses is invoice discounting as the business keeps control of its own debtor's ledger and keeps responsibility for collecting debts. With factoring, full responsibility and control of the debtor's ledger is taken by the factors. Many MDs dislike this sort of invoice financing, however it can be a very effective way of releasing cash when cash flow is difficult. A separate worksheet is available from Graham Hodges & Associates covering all aspects of this complex area.

ISO 9000 (Quality Management) and ISO 14000 (Environmental Management)

These two quality standards are crucial to every business today. It need not be too onerous to deal with and engaging an appropriate expert can make all the difference to arriving at a usable system.

Leasing & Lease Purchase arrangements

One of the first surprises to the uninitiated in lease agreements is the amount of companies who have over the years taken out lease agreements on bits of office equipment, vehicles or major factory equipment and although the lease period has finished, the MD has forgotten to cancel the lease and is still paying for something which was long paid off and may have even been sold on or scrapped in the interim. After all, who checks every item on their bank statements every single month and questions each standing order or direct debit? These lost monies can rarely be recovered, as normally in lease contracts, the onus is on the client company to give notice at the correct time at the end of the lease period. Having said all that, it must be pointed out that leasing can be a good way of freeing up cash. Perhaps a company needing money and yet owning valuable assets in the form of vehicles, machinery or even a building can 'sell and leaseback' the assets.

Manufacturing materials

Whether a company is buying in raw materials for its own manufacturing process, for selling on, for components or finished goods, substantial savings can be made through judicious alternatives or dual sourcing.

Graham Hodges & Associates can access experts whose sole business focuses on sourcing of raw materials from around the world.

Mission Statement

No more than 5% of companies have any form of formal written Mission Statement. Even those who do have one, will have one written by the MD and perhaps co-directors and it would simply reflect their vision for the business and their own 'culture'. Getting the staff to work together to put together a Mission Statement can be one of the best and most effective ways of getting employees to take 'ownership' of the Mission Statement and consequently the way forward for the business. It will also serve to ensure that they all know to what end and vision the business is working and will help in getting them to commit to this as they had a part in compiling it. It has been further found that staff use peer pressure to keep one another 'in line' if someone is letting them down according to the Mission Statement they all agreed on and compiled together.

New Product development or inventions & ideas

Many business owners have ideas or inventions tucked away somewhere and have held onto them for years without quite knowing how to take it forward or how to finance it, and perhaps being afraid to discuss it openly, as they are afraid that someone will 'steal' their idea/invention. We can take an idea, whether it has been properly formed, or is still in the 'on the back of an envelope' stage and take it through registration/patent, development, financing, production and marketing. You get to choose how much you want undertaken for you.

P.A.T. & F.A.T. (Portable & Fixed Appliance Testing)

By law, every company must have all appliances tested on a regular basis as laid down in H & S regulations. 'PAT' (Portable Appliance Testing) includes all portable appliances, such as hand drills, fans, heaters, office equipment, right down to the kettle in the canteen. All these must be tested as required in regulations, by an authorised and certificated person and a log kept and the items marked. Fixed appliances are equipment such as lathes, CNC machinery and all sorts of

major production equipment. Again all must be logged and checked as required. PAT are generally only required to be tested around once each year, though occasionally some may be every half year. FAT equip can need to be tested on anything between yearly, monthly, weekly or any other required span, depending on regulations.

Payrolls & PAYE software

It is amazing how many companies still do their payrolls manually. This is both complex and very time consuming. There are excellent shareware software packages available for very little cost which once set up, require only a few minutes work each month to calculate all salaries and wages, with the software even calculating tax, NI and employer's contributions as well as creating the pay-slips and the employers sheet showing calculations for sending in with NI etc.

Pensions

Executive Pension plans for the company directors, normally in the form of 'SSAS' (Small Self Administered Schemes) are very useful to company directors and can be extremely profitable when set up correctly. Also, there is a legal requirement for all businesses employing at least 5 people to offer a company 'Stakeholders Pension scheme'. If just one of a company's employees wants the scheme, then the employers must put it in place. Pensions legislation is complex so why not call in an expert to advise on what you need to do.

Production

There are many good production control systems available which will give the company more control of production and the processes involved. The right system in the right place can dramatically improve and speed up production whilst decreasing the cost of production. There are many specialists who have, or can recommend, the right software or systems.

Rates Reviews

Any successful appeals will only be retrospective to the beginning of the last cycle (2005). Rates overcharges are quite common and so it is important that you use an expert to identify whether you have an opportunity to

reclaim overcharges. Overcharges can run to thousands of pounds per annum. During the recession, many local authorities are offering special rates relief for businesses. Very often these rebates or discounts are not difficult to claim. Talk to Graham Hodges & Associates who will be able to very quickly identify whether there is an opportunity for you to receive significant rebates.

Recruitment

The recruitment of the right people into your business is crucial. Many small businesses use a "Do it yourself" approach, with often a very mixed result. Candidates now use the web, often exclusively, when job-hunting so simply placing an advertisement in a journal is unlikely to attract the best candidates. We would strongly recommend a professional recruitment organisation be used to recruit your key people. The whole process can be very time consuming and expensive, with no guarantees at the end of it. There are many recruitment agencies around, and very often they specialise in particular business areas. Why not let Graham Hodges & Associates help you with the planning of your recruitment campaign to ensure you get access to the very best candidates for the job, without incurring huge and wasted expense.

Rent Reviews

These days Landlords are suffering just as much as everyone else. Whilst it can be harder to argue a case for a rent reduction, there is often room for negotiation. An expert at reviewing commercial property lease or rent agreements can often find something that will enable you to open a lucrative discussion with your Landlord.

Sales

Sales should never be only the job of those formally appointed to sales, but to every person in the business. There should be a complete 'sales' culture built into the business so that every person, whether the most junior or most senior person, whether in the production department or the finance department, should be sales orientated. A good sales awareness course for everyone in the business is worth every penny spent on it. There are many options available to helping with sales, including tele-marketing, cus-

tomers surveys, or even using a third party to generate your sales leads for you. Improving sales is vital in today's economy. Graham Hodges & Associates can talk to you about a variety of options, tailored to your own particular needs.

Taxation

Many businesses pay too much tax. Those who have a good accountant will be benefiting from being able to minimise the tax they are paying. There are many legal ways of minimising tax payable. Graham Hodges & Associates can provide expert advice to assist.

Telecoms

Telecoms is an area that really does require specialist knowledge and with today's proliferation of networks, landlines, internet access etc. It is important to ensure that you are getting the best deal possible. There are a number of specialist Associates who can help, without having any special loyalty to any one particular supplier. Depending on your business and how much you use these facilities, savings can be very significant.

Training & Development

Training is critical to a business's success and it is often very tempting in difficult times to skimp. If you are a small business, this is usually one area that is neglected. Smaller businesses simply cannot afford the expensive public courses that are openly advertised. As specialist advisors to small to medium businesses, Graham Hodges & Associates can access training that is tailored to the needs of those businesses, and it does not need to cost a huge amount.

Utilities Reduction (Electricity, oil, gas etc.)

With many different suppliers now available in every part of the country competing to take commercial business, it is easy to make savings in this area. There are specialist advisers who know the market and can often find a great improvement.

Vehicle Leasing

Leasing company vehicles (whether private or commercial) can be a more

cost effective way than tying up money with purchase. With the right specialists setting up the lease for you, it can be considerably more economical all round, particularly if you are willing to take what is 'on offer' rather than specifying what you want. The special offers are always much cheaper. This can apply to commercial vehicles as well as cars.

Venture Capital

In the current climate, access to capital is exceptionally difficult. The banks are simply not lending as they used to. Graham Hodges & Associates have access to venture capitalists (Business Angels) that can often find capital where banks will not lend. These Business Angels will put personal money into the business or project in return for equity and/or interest. This is a very specialist business area and requires access to the network of Business Angels. Graham Hodges & Associates have just that expertise and access.

Why not contact Graham Hodges & Associates, who with many years' experience is able to very quickly carry out a business audit of your business, identify the areas where best savings can be made, and then has access, through the Institute for Independent Business to specialists in all these fields, and many others besides.

*If you are interested in any of our Services please telephone us on **01225 719857** or complete the contact form on our website www.grahamhodes.com to arrange a free discussion.*

About Graham Hodges & Associates

Graham Hodges & Associates help business owners achieve their goals by providing a whole range of practical services.

These services include boosting profits, increasing sales and marketing activities, streamlining operations, installing Quality or IT systems, ensuring compliance with Health and Safety regulations or Employment legislation, raising finance, planning and implementing an exit strategy or helping with any business problem outside of the experience of the business owner.

All our associates are seasoned and mature business professionals with decades of relevant business experience either at board or director

level of major companies or have run their own businesses. They are well trained in working with business owners and take a highly practical approach to solving problems and enhancing your business by working closely with you every step along the way.

Specialist Leaflets

Leaflets on any of the subjects below can be obtained from Graham Hodges & Associates. Simply send us an email or give us a call and we will send one to you.

1. Accounting systems

Making the most out of your Accounting system is important for you to be able to control your business effectively. This leaflet gives some information that will help.

2. Business Turn-round

Details of the services available if you are experiencing difficulties and need help with turning your business around.

3. Business process improvement

This leaflet gives some excellent advice in improving staff performance measurement and improving processes and driving real improvement as a result.

4. Cost control

This leaflet gives an invaluable guide to the cost areas to examine in a business, where there can be huge savings to be made.

5. Exit Planning

Preparing your business for when you move on is important. There are some very useful pointers in this leaflet.

6. E-business - 4 steps to improving sales

This is one of our most popular leaflets. There is important guidance if you are thinking of building a website. Don't just leave it to chance, make sure it fits properly with your business plan.

7. Health & Safety

Whether we like it or not, the legislation is with us. It is crucial that you tackle this issue properly. Some guidance is provided in this leaflet.

8. HR

As a small to medium sized business, you probably cannot afford to have a full time HR professional in your

organisation. This leaflet gives some simple & practical advice on what you need to do.

9. Manufacturing

Process improvement in manufacturing can make huge differences to profitability. This leaflet gives some information and help on things to be considered.

10. PR & Pay per Click

Pay per Click is the mechanism used by (for example) Google. It can be a very effective sales tool, it can also be a very expensive waste of money.

11. Quality

This leaflet discusses what small businesses need to do to install effective quality systems, without going to the huge expense you may be concerned about.

12. Raising Finance

In the current environment, this is perhaps the most valuable to look at. Finance **CAN** be raised...

13. Sales

Selling is hard. This leaflet gives just a few little tips and hints on how you can improve the way you sell.

If you would like copies of any of these leaflets, just give Graham Hodges & Associates or send an email:

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