

# HOW GOOD IS YOUR COMPANY'S FINANCIAL MANAGEMENT?

## Your two-minute checklist



## DO YOU EVER FEEL UNSURE ABOUT YOUR COMPANY'S TRUE FINANCIAL SITUATION?

**You suspect that the numbers your bookkeeper or accountant hands you are not accurate...**

Perhaps you are worried that you are about to run out of money (even though you have lots of customers)...

Or you have no idea how much money might be in your business account tomorrow, next week and next month. Planning ahead feels impossible...

These are typical (but far from the only) signs that your company's finances are not being handled in a professional, efficient manner.

And this can really strangle your company's growth.

After all, it's hard to scale a company beyond £1 million or £2 million when your finances are messy.

But what is actually going wrong? What are the gaps in your financial management, which of your financial systems and processes are not fit-for-purpose – and which are you missing altogether?

Unless you are a finance director, it can be difficult to tell.

**Use this two-minute checklist to identify the areas where your financial management is letting you down, so that you can fix them – and achieve the rapid growth you both want and deserve!**

## BACKGROUND INFORMATION

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**COMPANY:** .....

### OUR FINANCES ARE MANAGED BY:

In-house accountant

External accountant

Financial director & team

In-house bookkeeper/accounts person

External bookkeeper/accounts person

Other .....

### ON A SCALE OF 1-10, HOW SATISFIED ARE YOU WITH THE WAY YOUR FINANCES ARE MANAGED IN YOUR BUSINESS?

(Not satisfied at all)

(Fully satisfied)

1

2

3

4

5

6

7

8

9

10

## 1. DO YOU HAVE A CRYSTAL CLEAR VIEW OF YOUR COMPANY'S FINANCIAL SITUATION?

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I get comprehensive monthly management accounts

The management accounts answer all my questions about our performance and actually help me make decisions about our future

We get them each month in good time

I am confident that the figures I get are correct

Y N

## 2. IS YOUR CASH WELL-MANAGED?

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I get daily cash flow reports, so I know I have enough cash to manage the business going forward

We forecast our cash flow weeks ahead, so we know how much money will be in our accounts over the coming weeks, and review and update this very frequently

We check our cash flow forecasts against what actually happened and investigate and learn from any discrepancies

I know what our cash cycle looks like, and don't get surprises

Y N

### 3. ARE YOUR ACCOUNTING RECORDS COMPLETE AND ACCURATE?

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We reconcile our bank account to our accounting records at least monthly, to make sure our records are accurate

All other Balance Sheet balances are proven regularly

We have processes to ensure all customers are invoiced and all supplier invoices are processed on time

We have an external independent review of our accounting systems and records

Y N

### 4. DO YOU HAVE A CLEAR AUTHORISATION PROCESS FOR EXPENDITURE AND PAYMENTS?

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We have a clear approvals process for all expenditure

Commitments over a certain amount require Director approval

We raise purchase orders in advance rather than approving invoices after the money has been spent!

We regularly check and challenge prices paid, and regularly review recurring payments

Y N

## 5. DO YOU HAVE A CLEAR PROCESS TO ENSURE YOUR CUSTOMERS PAY ON TIME?

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We have a clear credit control policy which everyone is aware of, especially those in sales

Our invoices are raised promptly after our product is dispatched, or our service is delivered

Invoices clearly show our payment terms and ways to pay

I get a regular report of any customers paying late

Y N

## 6. ARE YOU CHECKING FINANCIAL RISKS?

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We regularly review the financial risks in our business and record them in a risk register

We regularly review the financial strength and credit status of our customers

We review our dependency on key customers and suppliers

We test internal processes to ensure they are robust and to help prevent fraud or error

Y N

## 7. DO YOU HAVE A BUSINESS PLAN, AND AN ANNUAL BUDGET?

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We have a written and agreed business plan, which is shared within the business

We have an annual budget with a comprehensive financial forecast

Our budget has agreed clear goals and actions which managers are tasked with delivering

We regularly compare our income and expenditure to our budget, and ensure there are explanations for any variances

Y N

## 8. IS YOUR EXTERNAL FUNDING APPROPRIATE?

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We have a good relationship with our bank and relationship manager

We fully understand all debt within the business, how it is secured and how it will be repaid

We know that the funding we have is cost effective, appropriate and manageable for the business

We understand the broader market for funding options

Y N

“We believe that financial insight is fundamental to the success of every business.”

Garry Mumford had a vision to give growing companies the same financial decision making advantages enjoyed by corporates.

In 1992 Insight Associates was established and has delivered world class financial management to growing businesses through its Outsourced Finance Department service.

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## Scale your business much faster with world-class financial management

Now you have identified where your financial management is letting you down, it is crucial that you develop a plan to quickly fix the problems.

If developing world-class financial management is a priority for you, schedule a strategy session with me.

We will review the results of this checklist to pinpoint specific areas you need to address.

Then, I will walk you through a simple process, that gets your company the kind of financial management corporates take for granted...

...So you can plan ahead, make better decisions about your company's future, and ultimately scale from £1 million or £2 million to £5 million, £10 million and beyond.

Just email me at [garry@insightassociates.co.uk](mailto:garry@insightassociates.co.uk) and let's get started.



**GARRY MUMFORD**

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