
Why you need to get a bookkeeper in your business now.

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In this article, I want to discuss why I believe that a bookkeeper is an essential element of any business, and why it should be one of the first elements you implement in your business, no matter how new, how small and how complex it is.

If you have a business, the choice you need to make is which bookkeeper to hire, not if you will hire one.

Why do I feel so strongly about this?

Well, there are a number of reasons, some of which are outlined below, but here's the main one: the financial elements of your business are so important that you cannot leave them to chance. The reason to have a business is to make a financial profit. If you do not have control over how you are managing the finances of your business, it is hard to budget for, control and manage finances to make a profit.

Why you haven't hired one yet.

Let's look at the possible reasons why you haven't hired a bookkeeper for your business.

1 You believe you don't have the budget.

This is the most common reason why entrepreneurs skip professional services like bookkeeping or accounting. They feel that all limited resources should be channelled to income-generating expenses.

2 You think that you can't trust strangers with your business.

Another concern that stops businesses outsourcing their bookkeeping is trust. Hiring a bookkeeper means disclosing sensitive company records, including financial information.

3 You believe you can do it yourself.

You may not be an accountant or a professional bookkeeper, but you've taken business units at university. In fact, you have a degree in business. Bookkeeping can't be too complicated and everyone can count, right?

4 Your business doesn't need a bookkeeper.

The business is too small, or too simple, or too private for a bookkeeper. You manage production and your partner handles the money, so there's no room for a bookkeeper.

What a good bookkeeper brings to the table.

Now, let's discuss the reality of what a good bookkeeper will bring to the table. Here's why having a qualified bookkeeper is a no-brainer.

1 They will save you money, not cost you money.

This is probably the biggest misconception about getting people on your team, and it is particularly the case for a bookkeeper.

If you charge by the hour and you are reasonable at what you do, you will be charging significantly more per hour than it will cost to hire a good bookkeeper. They will also be better at doing it than you.

If you spent the time that you would normally spend on book work and used it to market your business or simply undertake client work, your return will be significantly better.

In the time it takes you to think about doing your book work, getting organised, doing it, fixing the mistakes and then worrying if you have done it right, you could have generated significant income for your business, while a bookkeeper handles all of this work more competently than you, in less time and with a better outcome.

2 You save time.

As an entrepreneur, your most valuable asset is your time. Time you would rather use to plan, direct and innovate, or spend on things you love doing.

Bookkeeping is methodical and repetitive, and can be boring for someone who loves running a business rather than recording it. Even the thought of doing book work can bring a sigh to many people. Avoid this pain and its negative impact on your working life.

3 Put your business finances in clear perspective.

How much money does your business have? How much is yours? With a bookkeeper, you can have a snapshot of your business finances any time.

A bookkeeper can generate business reports and figures that you probably don't know how to do. No more guessing as to the true financial position of your business.

4 Tax filing without the headache.

No entrepreneur enjoys this unavoidable task and legal obligation. A bookkeeper will not only give you the numbers, they will also fill in the forms, do the filing and manage your tax obligations.

No more sleepless nights computing and filling out forms and scrambling for the deadline.

5 Manage your accounts receivable and accounts payable.

Unpaid bills and missed loan due dates lead to additional interest expense and penalties, while piling up accounts receivable means tied-up capital and stunted cash flow. A bookkeeper can help you increase your profitability by managing your accounts.

Most business owners I speak with tell me that chasing payments is one of their biggest headaches. A good bookkeeper will be great at doing this kind of follow-up and be able to report results to you as needed. It also means you avoid a sometimes difficult conversation with a client or customer about money they owe you.

6 They provide checks and balances for your business.

Working with a partner can be hard if you don't have a system of reconciliation in place. Don't put a strain on your personal or business relationship: have a bookkeeper to keep things plain and simple.

If there is someone who will look into the business transactions, partners won't have to doubt whether the marketing department is overspending or whether sales are properly reported.

7 They can act as a sounding board for day-to-day financial decisions, together with your accountant. (You do have an accountant, right?)

How much of the earnings should be used to pay off debt? Can you afford to get more equipment? Are there other systems that you could implement that will save even more time and money?

These are common business decisions entrepreneurs have to deal with. Not all bookkeepers are finance experts, but they can give you valuable business and financial insights.

8 They record and administer the finances of the business. They don't spend the money.

Trust is an important issue, so you need to do reference checks and ensure that the person you hire is trustworthy. Even then, you will not be handing over control of the bank account. If you are going to grow, you have to trust that others can help you.

9 It takes a team to build a business.

You cannot do it by yourself. Look at any successful business: it is never just one person, or a couple. It's a team of well co-ordinated, skilled and committed people working together.

If you really want to grow a business and not just have a job where you are your own boss, then you need to start a team. The single best place to start is by bringing on someone to record and administer your finances.

I can talk about this subject openly and honestly, because many years ago I was doubtful of the value of a bookkeeper in my business.

I had all the fears I listed at the start of this article. But now, with the experience I have had, I can tell you that any business I start or am involved with will be hiring a bookkeeper before doing anything else. It's that important.

There are many places to find a bookkeeper who can add value to your business, including referrals from others, searching online or asking your local business network. If you get stuck, send me an email and I'll point you in the right direction.

Good luck with developing your business and ensuring you put the systems, processes and team in place to make it thrive.

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