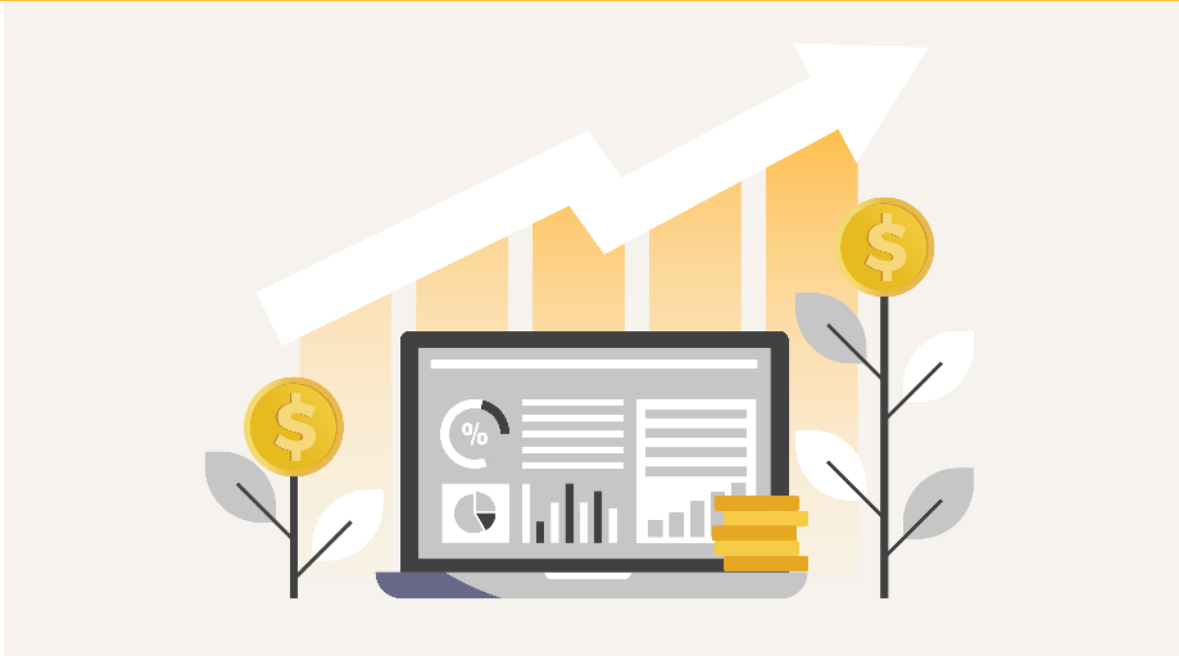


# BOOKKEEPING TIPS FOR GROWING A SCALABLE BUSINESS



ENKEL

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# INTRODUCTION

Managing a small business can mean long hours, wearing too many hats and juggling many conflicting objectives and tasks. It's a labour of love, but not one without headaches! Starting a business requires a kind of passion, dedication and fearlessness that many people just don't have. How do we know? We're entrepreneurs ourselves — and we work with many entrepreneurs every day to make their businesses better.

As a result, you could say we've learned a lot. We've seen success and failure, and pretty much everything in between. Only half of all small businesses grow to see their fifth year, and unfortunately, there is no magic formula for success in entrepreneurship. There are, however, strategic moves that you can make to help ensure the success of your investment.

We've analyzed what works for our most successful clients and what mistakes they've made along the way to create this primer for entrepreneurs. Our bookkeeping tips will help you improve efficiency and save time and money, allowing your business to flourish. We're excited to share them with you.

Sincerely,

***Omar Visram and the Enkel Team***

# MOVE TO THE CLOUD



When you're managing a small business, you're often on the go. Tethering yourself to an office or desktop computer is cumbersome, if not completely unrealistic.

Whether you're traveling to pitch your start-up to investors, moving between your office and home workspace, or always on the go managing multiple storefronts, you're going to want to access your records from anywhere.

Many project management, time tracking accounting and CRM programs are now cloud-based, allowing you to interact with your team online. Simple tools like Google Drive allow you to create shared folders that are accessible from anywhere, across multiple devices. Whether you're collaborating with remote colleagues, meeting with your legal team, or need your financial records available at home, hosting your data in the cloud is the safest and easiest way to keep your business moving.

# WHAT IS CLOUD ACCOUNTING?

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THE “CLOUD” IS ANOTHER TERM FOR THE INTERNET - SO, CLOUD-BASED PROGRAMS SIMPLY MEAN THAT YOUR DATA IS STORED ON THE INTERNET (IN A SECURE ENVIRONMENT), RATHER THAN ON YOUR COMPUTER’S HARD DRIVE!

## WHAT ARE THE BENEFITS?



### **Greater Accessibility**

Access your data from anywhere with wifi or 3G connection



### **Digital Storage**

Save money, and space, by storing your financial data digitally



### **Easy Collaboration**

Easily collaborate with your team, your bookkeepers and your clients – you set the access permissions



### **High Level Security**

With 2-step authentication and data encryption, cloud-based programs are secure ways to share and store information

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Cloud-based accounting solutions like Xero and QuickBooks make it easy to take your financial data on the go. You'll improve your payables and receivables functions through automation, and you'll never feel tethered to one computer or filing cabinet again. Plus, your accountant and bookkeeper will be able to access your data remotely, making collaboration a breeze.

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# EMPOWER YOUR BUSINESS WITH **OUTSOURCED SUPPORT**



**Many of the smartest small business owners are the ones who acknowledge that they can't do, or be, everything.**

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Boost your success rate with mentors, advisors, and assistants who can handle tasks outside of your wheelhouse. It's easy to let the little things slip. Getting behind on seemingly small administrative and bookkeeping duties can end up derailing your progress towards long term goals. Also take a look at the bigger picture, and enlist financial advice early on.

## **A common misconception of outsourced business services is that they are expensive.**

This doesn't have to be the case! Whether you're an expert at selling medical equipment or your true passion is crafting gluten-free baked goods, focusing your time and efforts on bookkeeping is taking time – and subsequently money – away from what pushed you to go into business in the first place. By outsourcing non-core functions, you'll feel the weight lifted from your shoulders, both metaphorically and financially.

## **Another mistake that small business owners make is trying to encourage their staff to wear as many hats as they do.**

While it's understandable that small business employees will take on duties for the betterment of the business, it's not in anyone's best interest to spread people too thin. Is your best salesman burning hours on admin tasks that could be outsourced? Is your assistant attempting to manage bookkeeping without adequate training? In the long run, you are only keeping the business from reaching its fullest potential.

# MANAGE PAYROLL DIGITALLY



**Managing payroll and income taxes for multiple employees can be frustrating and confusing!** Leave the headaches to the experts, and enlist a bookkeeper who can also manage your payroll function.

“ **Relying on bookkeepers to manage payroll will ensure that your employees receive electronic pay-stubs and have someone to speak to with any questions or concerns.** ”



**Payworks** 

You can even manage payroll using cloud-based solutions, such as Payworks.

Establish these processes accurately with your bookkeeper, and simply approve payroll summaries to ensure your employees are paid accurately, on time.

# TRACK YOUR RECEIPTS



**IMAGINE A DAY WITHOUT OPENING YOUR DESK DRAWER AND BEING ACCOSTED BY STACKS OF UNFILED RECEIPTS!**

Tools like Receipt Bank and Expensify can help you incorporate good document management processes into your day-to-day accounting. These programs integrate easily with your accounting software to accurately track both employee expense reports and company expenses.



Receipt Bank securely stores your receipts in the cloud and complies with the document retention requirements of most tax authorities around the world.







# PAY LESS TAXES

## Who doesn't want to pay less taxes?

There are many ways that small business owners can reduce their taxes, but it's important to do this strategically - and legally. If numbers aren't your thing, that's more than okay! You wouldn't diagnose yourself with a medical condition - don't attempt to diagnose your taxes without a financial planner. Finding a financial mentor (or two, or three) that you can trust is integral to the success of your business.

**Don't forget - it's important to seek tax advice from the beginning. Setting up tax structures from day one is easier, and more cost effective, than trying to fix things down the road.**

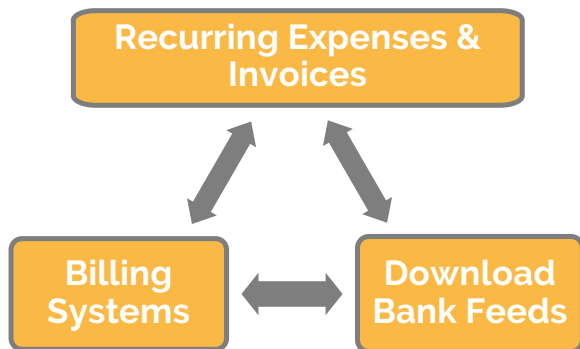
As a small business owner, you may not even be aware of the tax saving opportunities available to you. Are you recovering all of the GST that you're spending? Are you deducting all of your corporate expenses? Focus on what you do best. Leave your tax battles to trusted experts.



# AUTOMATE EVERYTHING

The easiest business tasks to complete are the ones you barely even need to think about. Financial operations have a lot of moving parts, and it can take up a large portion of your time and energy trying to stay on top of things. **Automating accounting processes is the easiest way to ensure you're staying on track.**

## BILLING & BANKING

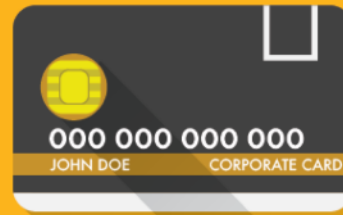
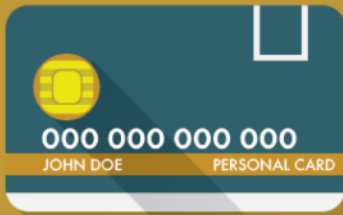


Many cloud accounting programs will allow you to automate your billing and banking processes. Set up your bank feeds to immediately download each month, and create automated billing systems. This will save you time *and* money.

### **Got recurring expenses or invoices?**

Automate those too. You'll never forget to pay a bill - and more importantly - never forget to send one.

When you automate your bookkeeping and accounting processes through the cloud, you'll no longer have to go through last minute accounting frenzies during tax season. You'll also have a better view of where your business stands in comparison to your annual goals!



# SEPARATE PERSONAL & CORPORATE ACCOUNTS

**Make sure you're tracking your personal contributions to the business.** You're going to want a very clear divide between your personal and business expenses. If you don't track it well, it is very likely that you will miss opportunities to deduct expenses or risk deducting personal expenses that are not business expenses and could result in adverse consequences if you are audited.

**When you're building a new business, you'll likely be paying for things out of your own pocket.** It's important to keep track of what you're paying for out of pocket versus what you're paying for with company funds, because what you contribute to the company with personal funds is a shareholder loan. What does this mean? It means that you can draw on these funds from your company, tax free.

## Set Up Separate Accounts



Assuming you haven't already, it's important for you to set up a separate business bank account and credit card. This is going to make tracking expenses much easier in the long run, and it'll give you peace of mind knowing you're operating efficiently. If your business does not yet qualify for its own credit card, dedicate a personal business card exclusively for business use. Having all transactions in one account or on one credit card makes record keeping much easier.

# ENSURE YOUR FINANCIALS ARE AUDIT PROOF

**Being audited can happen to anyone, and it's stressful even in the best case scenarios.** Knowing that your books are up to date and carefully documented can relieve almost all of the headaches associated with an unexpected audit.



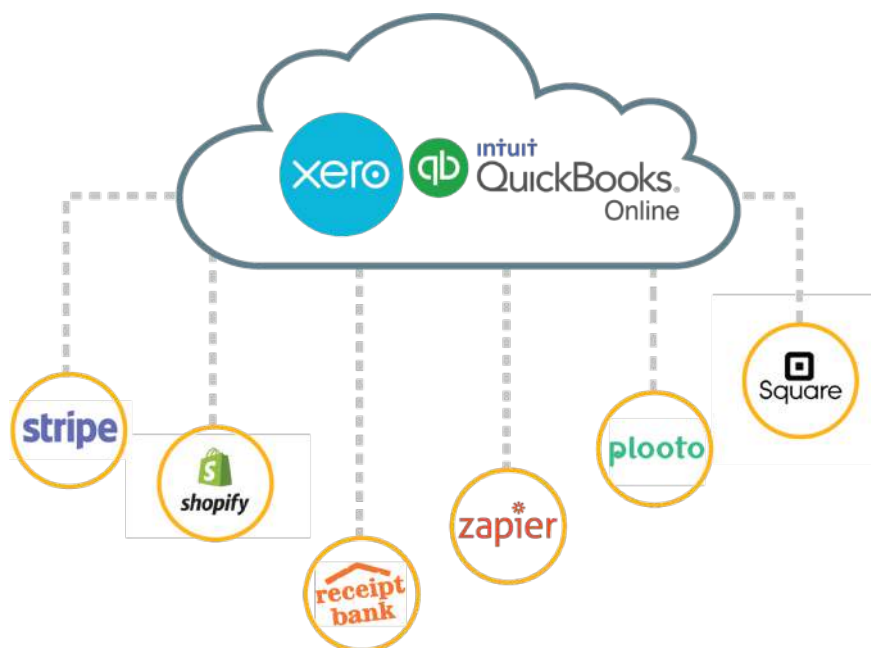
A good bookkeeping service will properly document and record your financial records, helping you move through the auditing process with ease.

**WITH CLOUD-BASED ACCOUNTING SOFTWARE LIKE XERO OR QUICKBOOKS ONLINE, ALL OF YOUR DOCUMENTS WILL BE EASILY ACCESSIBLE FOR YOU IN THE CLOUD, CREATING A WELL DOCUMENTED DIGITAL RECORD OF YOUR BUSINESS TRANSACTIONS.** ”

You'll rest easy knowing that your data is organized, accurate, and easily accessible – and if you are ever audited, your auditors will love you for it. We're not saying you have to love them back – they're still auditors!

# INTEGRATE & UTILIZE YOUR FINANCIAL DATA

Juggling data between Excel spreadsheets, different software programs, online tools and paper documents makes organizing your books time consuming and tedious – even if you're still small. Thankfully, cloud-based accounting software allows for third party apps to integrate to the software. This means that you can populate all your accounting documents on one single platform!



## **Cloud-based accounting software like Xero and QuickBooks allow for easy integration with other third party applications**

You can select from a wide range of third party applications and integrate them to your cloud-based accounting software based on your business needs. For example, you can integrate payment apps (like Stripe or Square) to your cloud-based accounting software, and save time by automating data entry, while tracking your finances and reconciling your transactions. There are also other third party apps that can help you with time tracking, workflow automation, and even financial analytics. The options are truly endless! By integrating these apps to your accounting software, you can improve your business efficiencies while you focus on achieving your business goals.

# SCALE FOR GROWTH

Ultimately, your end goal should be to grow your business! But for many small business owners, this can be overwhelming with time being a constraint.

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**Growing pains are very real!**

Scaling up your business requires discipline, focus, and a strategic approach to the **4 following arenas of growth:**

-   
**PEOPLE**  
Finding people with the right skills for the role, and the right fit for your company
-   
**STRATEGY**  
Focusing attention on your best opportunities for long-term growth, rather than short-term cash flow
-   
**EXECUTION**  
The ability to find the right tools for growth that will help you effectively execute on your strategy
-   
**CASH**  
Creating a cash flow plan that will allow you to sustain your operations and grow fast without running out of cash unexpectedly

# IS YOUR BUSINESS STRUCTURED TO SCALE UP?



**Empower your business with effective bookkeeping solutions that will propel your future growth!**

At Enkel, we are passionate about entrepreneurship and believe that entrepreneurs need access to the right services to scale up their businesses quickly. Having a strategic financial plan, with efficient bookkeeping and accounting services, is part of the winning formula.



# ARE YOU READY TO GROW?

Let's talk about how Enkel can support your business operations, while you focus on what you do best. Contact us today!

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