

CONSTRUCTION FINANCE TEAM

Effective management of your
business' finance function



FINANCIAL MANAGEMENT

When you set up your business things were relatively simple. No employees, hardly any transactions, no one to answer to. Probably just you and your tools.

Then you started to grow, won a bigger contract, took on some subbies and things changed. You can handle the subbies, even the awkward customer, but the increased paperwork and cash management has become overwhelming. You did not sign up for all this paperwork, it's taking up your evenings, weekends, time you really want to spend time with your family, doing the things you enjoy.

Finance is not your forte.



You're finding it difficult to find the right people at a level you can afford to give you the advice and financial management you require. The better half says she'll give it go, maybe even your retired mum, and as a result, you try and get by with what you have, and it all gets a bit overwhelming. You don't have as close a grip on your finances as you would like and little help around you.

Your business has grown, yet you cannot afford to hire a Finance Director as the going rate is between £75,000 - £120,000.

Even Financial Controllers salaries are no less than £45,000 plus tax and benefits.

You know you need to systemise and use technology better but not sure how and where to start.

THE CONSEQUENCE

The result is that you sail along not really knowing whether your business could be doing better, trying to manage your finances yourself without any assistance from financial experts.

That takes your time and energy away from doing what you're good at. Meeting customers, generating enquiries, driving your business forward.

You worry about meeting financial obligations like taxes as you don't have real time cash flow forecasts to refer to.

Your helpers are content to continue the old ways of working as they are not aware of how things could do be done smarter or more efficiently.

You're not sure whether you are profit making until after the year end when your accountant prepares the accounts as you don't get accurate management accounts. All a little too late by then.

Your business is not giving you the financial return you hoped for when you set up your business.

You don't have financial systems in place that you feel confident in.

You don't have a business plan nor ways to measure performance so that you can build the business of your dreams.

In short, you feel alone...



THE PROBLEM

When a business gets to a certain size and can afford to, they start to hire qualified finance staff to take care of the increased finance requirements of the business.

The problem is, for small businesses, they simply cannot afford to hire the right level of finance support they need. According to indeed.com the average salaries for the following roles are:

Accounts payable clerk: £22,535	Accounts receivable clerk: £23,861	Bookkeeper: £22,996	Senior accountant: £33,932	Financial Controller: £54,829	Finance Director: £82,439
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To employ all the above would cost a whopping £240,592! And these are before bonuses, benefits, pension contributions and employer's national insurance of 13.8%!

Clearly this is out of reach for most small businesses and a huge financial commitment. However, it's exactly these small businesses that need access to this level of finance input the **MOST!**

Granted, as a small business you wouldn't need to employ all of the above roles on a full-time basis.

However, **you do need the expertise of each of those roles at some level.** The problem is you can't employ 46% of an accounts payable clerk, 35% of an accounts receivable clerk, 35% of a financial controller, 10% of a finance director etc. You get the gist.



So, you end up employing one or two people with some finance experience which either means:



- 1 you end up with highly skilled people covering and doing low skilled work i.e. Financial Controllers doing accounts payable and bookkeeping
- 2 you have gaps in your finance function because the people you employ do not have the skill set required i.e. bookkeeper not being able to do what a finance director would.

That's where we can help.

THE SOLUTION

Imagine if you had someone to fully implement, systemise and manage the finance function of your business so that:

- You wouldn't need to worry about your financial management anymore
- You'd have access to FD and FC level support at a fraction of the cost of employing them full or part time
- Your in-house team would have access to training and support from qualified finance professionals



- You would save time and money by having access to the latest technology to streamline your processes
- You would get insight into the financials of your business to help you make better, meaningful and timely decisions on moving your business forward
- You would have access to real time management information that was accurate and gave you access to all possible financing options for growth
- You could scale your business up knowing that your finance function was in good hands and could scale with you.
- You would have access to a trusted advisor who understands your business as a sounding board

Cue, the Construction Finance Team.

THE CONSTRUCTION FINANCE TEAM

We provide a bespoke Virtual Finance service to small businesses at often, less than the cost of a full-time junior staff member. Don't let the word 'virtual' put you off. It may be techy sounding, but our service is very much based around the human element and giving you access to our team of experienced

Finance professionals who have managed the entire finance function for other businesses like yours.

We can provide the full finance function from bookkeeper to FD and anything in between or complement your existing team with the elements that are missing.



What does a typical finance function look like?

The traditional 'finance function' would have had the following elements / departments:



Large companies would have a whole team of people to make up the business' finance function covering each of the above areas – from accounts payable and receivable staff to financial controllers and CFO's.

Smaller businesses would typically only have a limited number of people to handle all the above functions if any at all – sometimes it's just the owner together with non-finance professionals that try and get by.

Although small businesses don't need a whole team of people to cover all the above, they do need cover in all of the above finance function areas to some extent.

Problem is, it's not normally within reach of most small businesses to get the optimum level of cover in each of the finance function areas that they need.

So, what benefits can The Construction Finance Team bring to you?

Fundamentally, our CFT offering can give you cover in all the above fundamental finance function areas in line with your business needs and at an investment your business can afford.

Furthermore, another main benefit is the comfort of being able to hand responsibility of managing your finance function to someone else to let you concentrate on what you're good at and growing your business.

Technology these days has made it possible for firms like ours to **provide a full finance function offering to our entrepreneurial small business clients.**

It's essentially a combination of a full finance team, business coach and strategic financial expert partnering up with you to help you achieve your business objectives.



Other benefits include:

- Taking away the hassle of managing your own bookkeeping and ensuring that it's done regularly and accurately so you don't miss out on tax reliefs and all eligible VAT paid.
- Synchronisation of your financial data with your business objectives to ensure you receive useful management information to help you make better decisions
- Provision of real time management information with analysis in a timely manner
- Strategic financial input on growing your business
- Access to the latest technology to streamline your operations and save time and money
- Having finance staff report to someone who can hold them to account
- Assistance with helping you obtain finance to grow your business
- Helping you to build a profitable and sustainable business by charting out a plan and measuring performance.
- Managing financial risk in your business that may otherwise catch you unaware.



What is your investment?

Every business is unique. Your objectives and requirements will be different to another business owner's. You will be at a different stage in your business compared to the another.

So, we provide you with a range of options so you can choose the package that best meets with your needs.

We do this by working collaboratively with you to create a proposal for the services in line with your current circumstances and requirements. We will do this live with you using our pricing software so you are in control of what level of integration, service and management you would like from us.

We will always give you a fixed price so you can budget and plan. As your circumstances change for example you have more transactions or require more regular management reports, then we can carry out a fee review to adjust your monthly investment.

Similarly, if you no longer need any element of our service or your transactions reduce, then your investment will reduce accordingly.



It allows you to scale up the service as you grow and scale down if you retract. ***In other words, it's fully flexible.***

In other words, you're in complete control and can build the package that best meets your needs and budget.

Contrast that with having to employ finance professionals whether or not you fully need them, and you will see the savings you can achieve.

Note: the price of this service is fully deductible for tax purposes, which means that HMRC will refund you a portion of this cost subject to the rate of corporation tax you pay. Also note that there is no employer's national insurance as there would be for an employed FD.

Also, there is no minimum contract. If you are not getting value from the service, you can stop it at any time giving you complete control and flexibility.

How do we deliver this?

Managing a finance function these days is no mean feat.

However, technology has come a long way in automating many of the processes that used to be carried out by employed staff. Reviewing how you manage your finance function can save you time and potentially a lot of money.

Technology enables us to **fully deliver and manage your finance function completely remotely** although we can combine this with on-site visits as required for training purposes.

You can tailor how much on site contact you would like from us when you are selecting your options and packages.



Your options in detail – *how you benefit*

For a small fixed monthly investment, you will benefit from the following depending on the options chosen in your proposal:

Review and streamline existing finance function systems & processes

We will perform a health check on your existing finance function systems and processes to see where any inefficiencies exist and provide recommendations on improvements to save time and money.

Document capture system and process

We will review how documents flow through your current finance processes in order to streamline as much as possible so you only keep what you need and use technology to scan documents to save time on manual data entry – and reduce human errors that can result in financial loss. You will also be surprised how much space you can get back in your office when you go paperless!

Accounts receivable review and management

Many businesses suffer from cash flow due to poor invoicing and cash collection procedures. We will perform a review of your credit control procedures and help you implement strategies to get cash into your account faster. This might be through automating credit control, implementing direct debit or helping you to get payment up front using payment processing services like Stripe or Paypal.

Overview and support to your internal finance staff

It's hard to manage staff – let alone staff that are engaged in an activity that is not your forte. We will provide support to your in-house finance team for any queries they may have so they don't get frustrated and can be as productive and efficient as possible.

Accounts payable review and management

We can manage your payments function or review your existing processes and set up and provide advice on generating efficiencies, improving controls and saving you time and money. If you pay employee expenses then we can establish and implement systems for you to keep track of expense claims, ensure the relevant authorisations are in place and create a seamless process for claims.

Bank feeds system set up and timely reconciliations

We can undertake the bank and credit card reconciliations for you or if you are doing this in house then we can provide processes to undertake it as efficiently as possible across all bank and card accounts. Reconciliations are essential to ensuring that the financial data in your accounting system is accurate so that you know at any point in time who owes you what and what you owe to others.

Full management reporting

Creating real time management reports as to how the business is doing is crucial in helping you to make better business decisions. We will ensure that your finance function is set up to give you the reporting you need as regular as you need it, so you always have a pulse on how your business is performing. More importantly we will accompany the reports with our commentary and analysis to help you make sense of the numbers.

Dedicated contact

You will have direct access to an experienced member of our team that you can contact at any time who will work closely with you. It will just be like having an FD on your team. This means you have one point of contact for all your queries. They will be supported by other members of our team so you will always be able to get through to someone and receive a prompt reply.

Unlimited email and telephone support

You can call upon your dedicated client manager contact at any time by email or phone without extra charge or worrying about the cost. If there is anything that is required outside the agreed the scope of services with you, we would always notify you in advance and provide a quote prior to proceeding. You will never receive a surprise bill from us.

Cost control: Expense monitoring, analysis and advice

It's very easy to lose control of costs when you are trying to grow a business. As you hire more people you will have employees that will be making expense claims. It is important to keep a handle on costs and have processes in place that keep costs in check whilst alerting you to any anomalies to manage your risk.

Financial projections and custom reports to aid decision making

You want to add a new hire to your team or invest in a product / service to help you take your business to the next level. However, can you afford to do so? What impact will it have on your financials? Are you considering all associated costs? We can help build projections to model the impact of incurring costs or investment and consider the time before the investment starts to bear fruit. Giving you different scenarios based on 'what-if' questions will greatly aid your decision making and manage risk. We will custom reports from your financials in other areas to help you make better business decisions.

Working capital / Cash flow management and monitoring

Cash is vital to the survival of any business. Monitoring cash flow is crucial in ensuring that you are to sustain the business during periods where trade may be down or where you need to invest to grow. Too often, future liabilities such as PAYE, VAT and corporation tax are forgotten when trying to manage cash just be looking at the bank balance. We will help you build, monitor and update your cash flow forecast so it becomes a real live forecast that gives you clear visibility over future cash balance and requirements.

Review of industry specific apps and implementation

There are over 1000 apps in the cloud accounting eco-system! And growing. We will research and make recommendations on apps that can integrate into your cloud accounting software that can generate efficiencies for you and therefore save time and money. Some of these may be industry specific to your sector and others more generally around business processes like project costing for example.

Financial risk management

Managing risk is critical to ensuring business survival. We will identify the key financial risks in your business and assist you in mitigating that risk, so you don't lose money. For example, if you are onboarding a new customer and concerned about their ability to pay, we can run a credit check for you on your behalf.

Dashboard to track relevant financial and non-financial performance

Looking at data in management reports is helpful. However, combining that with key performance indicators that are specific to helping you achieve the growth targets of your company is even more useful. Our motto is 'anything that is watched and measured, improves'. Having a dashboard with your financial and non-financial KPI's in one place and tracking them will help you and your team achieve your goals.

Strategic planning to set goals and monitoring

We will have a strategic planning session with you to understand your short-, medium- and long-term goals and work with you to implement a series of targets to help you work towards achieving them.

Monthly accountability programme and support

One of the keys to success is taking action. You need to do the things necessary to move you towards your goals. Unfortunately, this is harder than it sounds. The day to day running of a business often gets in the way.

Having an external personal holding you accountable helps you to get the right things done. We will schedule a monthly video call or meeting with you to help you work through your strategic action plan and provide help and support. This external support will make it much more likely you achieve your personal and business goals.

Raising finance and investor reporting

Depending on your growth plans you may need to raise finance or restructure existing finance. We will make representations on your behalf to our wide network of financiers to help you get the finance you need to sustain and grow your business.

Any financier will need management reports to ensure their investment is safe-guarded. We will work with you to ensure that these are provided as required to maintain your credibility and credit line.

Exit strategy development and formulation

If you are looking to scale your business and targeting an exit strategy, you need a plan to ensure you get maximum value for the time, money and energy you have put in to building your business. We will work with you to develop an exit strategy that maximises value. This could include looking at options such as MBO's and looking at tying in key employees via tax efficient employee share option schemes.

