Tips For Navigating EOFY

Time Pressures

For many small business owners, the end of financial year (EOFY) is synonymous with dread and disarray, so as to meet fast approaching cut-off dates.

These time pressures, coupled with an endless array of 'not-to-missed' end of financial year sales offers can create a sense of urgency and lead to 'panic buys'.

Even though an EOFY purchase may be deductible, it's still important to weigh up the value it will provide to your business. While the instant asset write-off scheme is an attractive strategy, one of the best tax minimisation strategies is not to spend in the first place!

Given the accessibility to online payment options, and businesses with 24/7 operating hours, try to sleep-on and carefully think about purchases before parting with your hard-earned money.

Another risk for time-poor small business owners to mindful of at this time of year are cleverly crafted scams. One such scam purports to be an invoice from the Australian Securities & Investments Commission (ASIC). Requests for payments or refunds by phone or email are suspicious. Check with government bodies via listed contact numbers, that is, do not trust contact details within suspicious emails.

Reporting & Information

The preparation of end of year accounts and business reports are not exactly a barrel of fun, but they part and parcel of the process. The trick is to make time to analyse the numbers and reports generated, because they can provide business owners with valuable insights and a deeper understanding of their key business drivers.

For instance, those pesky BAS reports provide a wealth of valuable information from income, expenses and the all-important cash-flow. The more regularly a business produces this information, the more relevant the data becomes.

Once again, technology provides a wealth of data and information at your fingertips, and much of it in real-time. The better the data, the better the decision-making!

Many small business owners will quip that it's all good and well to plan to pour over accounts, but who has the time? In fact, many business owners clock up over 60 hours per week, according to *Suncorp's SME vs Me* report. It goes back to the old adage of spending as much time working 'on' your business as working 'in' it!

Communication

Many small business owners feel the weight of the world in having to do 'everything', but running a business does not mean you are alone in the business world. Force yourself to engage in discussions with business providers, including accountants, advisers, bankers and technology specialists.

There is nothing worse than receiving a call from a provider asking why your business hasn't adopted a cheaper and more efficient product or service, and then to learn it has been available 'for a few years'.

Admittedly, this represents valuable time out of your business, but regular discussions with business professionals and providers can repay themselves in spades. Essentially, you are ensuring your knowledge is up to date, and you are utilising existing products and services to their fullest.

The end of financial year need not be entirely stressful. Hopefully these tips provide some food for thought:

1. Start the process early, thereby alleviating acute time pressures;
2. Make time to review and analyse existing reports and information, the more real-time the better;
3. Talk widely with providers and peers to keep abreast of industry and tax changes.

Darryl Conroy
Financial Markets Research

darryl.conroy@suncorp.com.au

The information contained in the Market Musings is subject to change. Suncorp-Metway Limited does not represent, guarantee or warrant the accuracy or correctness of the information contained in the Market Musings or shall it be liable for any claim whatsoever arising from any person relying, or purporting to rely, either wholly or partially upon the information. The information provides a general summary and has been prepared without taking into account any individual particular objectives, financial situation or needs. No action should be taken in reliance upon the information in the Market Musings without consideration of the appropriateness of the information to any individual particular objectives, financial situation and needs and without first seeking expert financial advice.

Suncorp-Metway Ltd. ABN 66 010 831 722 AFSL 229882