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THE BENEFITS OF REAL-TIME ACCOUNTING - INFORMATION FOR CLIENTS

Walsh West Certified Chartered Accountants 2021

With the ever-increasing pressure on businesses to be more lean and more competitive within the market, the ability to know how you are doing is more important than ever. Thus, real-time accounting comes into play to an even greater extent. What was once a finger in the air approximation of your finances, profit and loss and stock values, is now a vital part of your day-to-day business workflow.

You need to be able to (on an almost daily basis), keep track of every single transaction in and out of your business, and identify areas which are doing well and those that require you to make some changes. This ensures you can make the decisions that are needed, when they are needed. And to do this, you need up-to-date accurate financial information.

In today's business, time is money. How often do you use your management accounts information to help you manage your business on a day-to-day basis? Is it that you're not getting the information fast enough to be of use? Or is the data not as accurate as you need it to be?

This is where real-time accounting can give you the edge you need.

Real-time accounting gives you the information you need, when you need it, as soon as a transaction is complete. Whether it is a sale or a purchase, you have access to your profit and loss, balance sheet, sales reports and more. With this detail, you can be more proactive rather than reactive to your business needs.

Profit and loss and the state of play

The Income Statement or Profit and Loss is the main area where you will see the benefits of real-time accounting. At the click of a button (day or night), you are able to see how you are doing and what your overall profitability is like. You can compare it to previous periods, check different channels and compare how each are doing against one another. From that, you can make the choices that will drive your business in the right direction.



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There is no waiting for your accounts to be compiled at month end as real-time accounting has it all there, 24 hours a day, just waiting to be accessed when needed. Whether you need information for a new investor or need to see your Bank Manager the next day, you will always have accurate up-to-date information to hand, when needed. This means no more lengthy waits for your accountant to pull together an up-to-date figure that is *out* of date before you've walked out of the door.

You not only gain advantages on the Income Statement, but also on your Balance Sheet. You have accurate stock valuations with no need to deal with open and closing stock journals. Each time you buy new goods, and the stock is received, your inventory and stock levels are automatically accounted for. This means you know how much you have left outstanding on goods received but not invoiced, or how much you have paid out but have yet to receive the goods for. And this is what you can see on your Balance Sheet at a glance.

Each time you sell, your stock is reduced, and your Income Statement is updated showing the real-time margins and profit on your orders. In a business where every penny counts this helps you see where savings can be made or where (and if) you can charge more or cut prices to help beat the competition.

What is working, what is not?

Without using accurate, timely and up-to-date information, you run the risk of making bad decisions that can lead to an unprofitable business and in extreme cases, going bust. While intuition can take you a long way, it is no substitute for accurate up-to-date data that can be looked at and compared to on a regular basis, helping you to not only survive, but prosper and grow.

Being agile and acting on intelligence about your business will keep you competitive and one step ahead of your competition in the market.

Keeping an eye on everyday costs to the business, and having accurate up-to-date information via real-time accounting will help you to identify those areas of pain, but also those areas that will grow.

You can quickly react, reorganise, and restructure, aiding your future expansion plans, whilst boosting profitability and growth in your business. real-time accounting will give you peace of mind and confidence that anytime, day or night, you will have a true up-to-date reflection on your business accounts.



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For initial advice about Accounting and Taxation; call our team on 0203 488 7503, 01992 236 110 or contact us by email at welcome@walshwestcca.com or via our website www.walshwestcca.com and we will help you.