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WHY REAL-TIME ACCOUNTING MATTERS FOR BUSINESSES - INFORMATION FOR CLIENTS

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Dealing with approximate figures and estimates can be frustratingly vague when it comes to business finances. As for making decisions without a firm grasp of the business's financial position, well that's just a huge risk.

As the technology for real-time accounting becomes increasingly accessible, businesses are better informed with a much more accurate picture of what's going on with their profit and loss figures.

What is real-time accounting?

Real-time accounting is the ability to keep track of every transaction going in and out of a business, exactly as they happen. It lets business owners see an instant snapshot of their financial position, as well as more accurate projections. For instance, forecasting cash flow with accuracy is necessary for making sure there's enough money in the bank for upcoming bills.

In short, real-time accounting helps business owners make the best possible decisions with up-to-date information, rather than estimates.

There's no need to wait to compile reports at the end of the month. Real-time data processing allows a constant window into finances, balance sheets, sales reports and of course, profit and loss figures.

The benefits of real-time accounting

Having instant access to profit and loss figures means that businesses won't fall into the trap of over or underestimating their income. For example, an online retailer may believe they're doing well if there are a lot of orders, but the profit and loss figures might say otherwise. Perhaps only small, non-expensive items are selling with minimal markup. Maybe those sales only just cover the expenses.



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Real-time oversight enables businesses an opportunity to spot and issues and give them some attention, before they grow into a larger problem.

The key is to not wait until it's too late to fix things like this. If a business sees everything exactly as it's happening through real-time bookkeeping, they're in a much better position for making solid business decisions for the company's growth.

It's not all about improved decision making though. If a business owner is trying out a new strategy or product that ends up being a bad investment, the impact of this can be reviewed quickly, before it affects the business too much.

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.