

# Have a regular check-up: Ensuring the health of your business

By Peter Carroll

12 July 2023



Just like your health or your motor vehicle, it is crucial to have regular check-ups for your business. At Fordham, we recommend scheduling check-ups with your business advisor and accountants to ensure you are on track and accountable to your vision for your business, assets,

and wealth pool. In this article, we will explore the importance of regular check-ups and the benefits they bring to your business.

## **What is a vision?**

A vision is your plan for the future, encompassing both imagination and wisdom about where you want to be in the medium term. When your people and stakeholders subscribe to your vision and are incentivised to achieve it, they become highly motivated to contribute towards its realisation.

## **The frequency of check-ups**

To stay ahead of the game, we suggest having check-ups at least every six months or even quarterly. These regular intervals allow you to assess your progress, identify areas for improvement, and take proactive measures whenever possible.

## **What to expect from a check-up**

During a check-up, a good advisor will cover several essential areas to ensure the health of your business. Here are some key aspects that might be addressed:

1. Year-to-date results: Reviewing your financial performance and comparing it to your projections is crucial to understand your current standing and make informed decisions going forward.
2. Cash flow: Managing cash flow is vital for the smooth operation of any business. Addressing any cash flow challenges and exploring opportunities for improvement will be a focus of the check-up.
3. Alignment of management accounts (internal) and Financial Accounts (external): Ensuring that your management accounts accurately reflect your financial accounts is essential for making informed business decisions.
4. Tax tips, tricks & opportunities: Your advisors can provide valuable insights on tax planning, identifying potential deductions or credits, and discussing strategies to optimise your tax position.
5. Observations in the market: Your advisors can share their observations based on their experience with other clients, such as cash flow tightening, declining retail spending, or emerging growth opportunities. These insights can help you navigate challenges and seize opportunities.
6. Risk mitigation and asset protection: Evaluating and mitigating risks, including protecting your assets, is critical for the long-term success and sustainability of your business.
7. Management and phantom equity: Discussing management structures, incentive programs, and phantom equity arrangements can help align the interests of key stakeholders with the overall vision of the business.

Regular check-ups with your business advisor and accountants are essential to ensure the health and success of your business. These check-ups provide opportunities to assess your progress, address financial challenges, explore growth prospects, and mitigate risks.

To schedule a regular check-up for your business and discuss strategies for growth and financial optimisation, contact your [Fordham Partner](#) today. Our dedicated team of professionals is committed to helping you navigate the complexities of business ownership, seize opportunities, and ensure the long-term success of your business. Do not wait until it is too late – take proactive steps to keep your business healthy and thriving.

This information has been prepared by Fordham Business Advisors Pty Ltd (Fordham) ABN 77 140 981 853. Fordham's liability is limited by a scheme approved under Professional Standards Legislation. It is general information only and is not intended to provide you with advice or take into account your objectives, financial situation or needs. You should consider, with a financial adviser, whether the information is suitable for your circumstances. To the extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this information. This information is believed to be accurate at the time of compilation and is provided in good faith. Fordham is a subsidiary of Perpetual Limited ABN 86 000 431 827.