



Maximising the potential of your business

GROOMING FOR SUCCESS

Prepare to sell - even if you're not going to

One of the best ways to help your business reach its full potential, and maximise its value, is to run it on the basis that one day you will want to sell it. In this way you will instill the best working practices and disciplines, and seek to operate the business at its optimum level. This really will make the business better and more valuable - which is good news for you whether you actually intend to sell or not.

Achieving business excellence

In order to reach this optimum level (i.e. to achieve business excellence) and to ensure that you keep on the right track, you need to continually "groom" the business. In this issue of Topical Tips we examine the general grooming issues that can be applied to any business.



Barnes Roffe Topical Tips

- Build a strong management team so that the day-to-day running of the business does not depend on you.
- Reduce over-dependence on particular customers or suppliers. Take active measures over the medium to longer term to diversify the customer and supplier base.
- Ensure that all relevant products are protected by patent, and that all patents and trademarks are documented and recorded.
- Review and update (or put in place) directors' service contracts, and contracts of employment for all other employees.
- Review general legal and regulatory issues and ensure that compliance is made with all specific requirements.
- Review compliance with industry quality standards and ensure that all relevant registrations are kept up to date and documented.
- Obtain a PAYE and VAT "health check" from your professional advisors, and ensure that specific compliance reviews are undertaken at regular intervals thereafter.
- Ensure that all plant and machinery is being properly maintained and review all service agreements.
- Review all insurance policies and ensure that adequate insurance is in place for all assets. Ensure that cover is suitable for all possible events and types of loss.
- Consider environmental issues and ensure a comprehensive review is undertaken with expert advice if required.
- Obtain an IT "health check" from your professional IT advisors to ensure adequate controls are in place over data protection, security, back-up, anti-virus, software rights and internet usage policy.
- Review pricing policy for products and services in line with customer demand and product life cycle factors.
- Review buying and stocking policies and consider bulk buying for economies of scale in line with the most economic re-order quantity.
- Review debtor and creditor controls to improve working capital management and reduce potential bad debt exposure.
- Make annual forecasts and set targets and budgets for future monitoring and control of the business.

Consult your Barnes Roffe contact partner for detailed guidance in this important area.