



CLS Chartered Secretaries

CASE STUDY

How solid bookkeeping and a 50% reduction in debtors set the stage for business growth

For a forward thinking company, it's incredibly difficult to get to the next level of business success without having full transparency and clarity over your financial data. Goal setting becomes a challenge when you're unsure of your present financial standing.

It's this challenge that originally led Conor and Amy of CLS to a conversation with the Comerford Foley team. A future focused pair, they were already aware they needed better reporting. Without a real understanding of their numbers they were struggling to make key decisions - and an issue with debtors was causing them additional anxiety about available cash.

Conor & Amy are joint partners of CLS Chartered Secretaries in Carlow, Ireland. CLS provides company formation and company secretarial services to businesses in Ireland and the UK, and specialise in advising and implementing on all aspects of share restructuring.



Comerford Foley

Uncertainty in the numbers was affecting Conor and Amy's ability to make decisions

Conor and Amy met with **Ger**, Comerford Foley's Accounting Partner, in 2019. They came to us frustrated, knowing they had a good business, but feeling like they didn't have enough information about how their business was performing to take it to the next level.

Though they knew they needed guidance and support, Amy and Conor invested time in the decision to work with us.

Transitioning to a new accountant can be a big decision for many reasons, practical and personal. Business owners are very rarely seeking out a new accountant because everything is great and grand. There is always a problem to be solved or an obstacle to be overcome in the pursuit of growth. For this reason, it can be daunting to make any kind of change while things are already feeling out of your control. For some of our clients, ending a relationship with their previous accountant wasn't an easy conversation to have.

They took time to understand what a relationship with Comerford Foley looks like, and we respected their investment. We do all the things you expect of an accountant, which was important to the pair - they also wanted assistance with pension planning, tax planning and goodwill.

Talking about the reasons CLS decided to work with us, Conor and Amy said:

"Your personalities. You were young and approachable and we got on well. You appeared to embrace technology including Xero which many other firms didn't appear to do at the time. Also you had an in-house tax person, which normally only larger firms have - but we didn't want to go with a larger firm because we didn't think we'd get the personal service we get from Comerford Foley."



We know you want more than just a great accountant. You want a business support system. A team of financial experts who understand first hand what it's like to start, run and sell a business. People who truly understand the challenges you face as an owner and can face those challenges with you. People you can see yourself getting along with!

We treat the relationship with our clients as a partnership. What that means:



Providing security

Making sure you know where your business stands and how to move forward, so you can get a good night's sleep free from worry about your current financial situation. We care about getting your accounting and taxes right so we can protect you.



Two way communication

You're not a cog in a wheel at Comerford Foley. Our clients come to us when they need to talk, and we're here to listen and help. We take communication seriously, knowing our clients want a responsive and supportive accountant.



Someone you can have a pint with

We're all very nice people! We love what we do and want you to love working with us too. The CLS team are a sociable bunch, and we found we have a lot in common with Conor and Amy (namely the love of GAA!).



Someone to bounce ideas off

Our clients want to grow and build profit, no matter what size they are when they come to us. Running a business is a lot less stressful and lonely when you have someone to run things by.

Taking the time to choose the right accountant was the best thing for Conor and Amy. It ensured they were confident they weren't rushing into a new relationship. Investing this time upfront also meant they were already invested in the process when it came to working together.

If you're taking your time to consider a new accountant, [read our manifesto](#) to see what it's like to have a partner in us.

Once we agreed to work together, we turned our attention to their outstanding invoices

Early on, Conor and Amy had asked how we might be able to help with a debtor issue. When we looked into it, we realised a lot of the debtors were receiving credit despite having invoices outstanding for over 120 days.

If they didn't resolve this issue, they could have a very successful business with limited cash in the bank. We see this very often with service based businesses, where all of their money is sitting in the client's bank account.

As a team, we have experience in chasing debtors for our clients, and our Office Manager, Dee, was able to advise on some tools the CLS team could use to get their debtor days down.

- ✓ Issuing the invoice automatically from Xero when the work is done
- ✓ Setting clear payment terms on the invoice, and reducing these from the standard 30 days to 2 weeks
- ✓ Including a link to Stripe on the client's invoice, making it easy to pay
- ✓ Using an app like Chaser that links with Xero to send out set reminders a few days before the invoice is due and automated reminders to follow if the payment date is missed.
- ✓ Sending an end of month statement and scheduling a follow up call with the client to agree a payment plan with the client's commitment.

We took practical action to resolve the problem for Amy and Conor by:

Breaking down the debtors by staff members

- making sure everyone in the team knew who they would be contacting.

Sending the CLS team a list of the debtors

- this meant they had all the information in front of them when a client would call or email for additional services.



CLS' sales increased considerably over the next two years, and their debtors improved

Wanting to add a personal touch, Conor took on some of the debtors he knew personally and contacted them regarding their outstanding amount. But overall, the task of reducing the debtor days was a team effort, with each team member discussing the debtor issue with the client they had the closest relationship with.

This laid the groundwork for some staggering results. CLS's debtors went from 34% of sales in 2019 to 17% of sales by the end of 2021. This 50% reduction in debtors in two years was excellent for them with sales increasing. This resulted in more money in the company bank account which helped them grow the business.

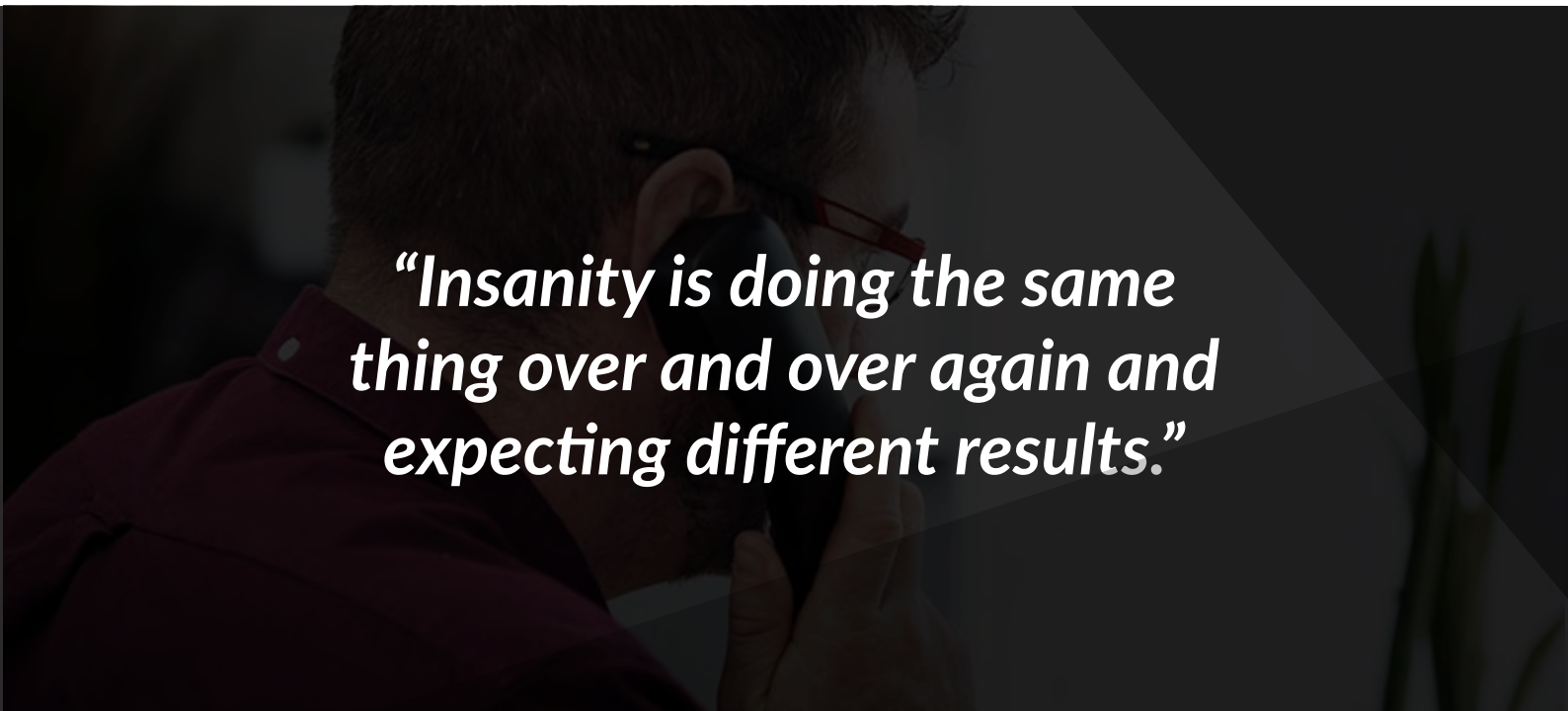
Once we had helped to resolve this initial issue we focused our attention on the bookkeeping. We knew how important it would be for Conor and Amy to have solid numbers they could rely on to grow their business. We made sure their numbers were accurate and up to date, so they could make business decisions on hiring, salary increases, bonuses and pension payments.

So much can be achieved when you have the right information about your finances (and a lot of stress can be calmed)

We have a simple 4 step process of helping our clients reach their goals, and it starts with strengthening the foundations. You don't build a house without a good foundation – your approach to bookkeeping should be no different.

By allowing us to control your bookkeeping, not only does it give you peace of mind but it also means that when you are ready to increase your investment in finance we are well placed to start producing some fantastic information to help you to grow your business.

A great bookkeeper or a great bookkeeping function is worth its weight in gold. Gold will help you grow, hire more great people and give you the freedom to enjoy success with those that you love. Numbers, Revenue, ROS, envelopes with Harps on them stress you out. A brown envelope with a Harp is akin to approaching a garda checkpoint. A feeling of dread and automatic guilt, even when completely innocent! If we get stressed, we lose focus and energy, are less productive and our businesses can suffer.



“Insanity is doing the same thing over and over again and expecting different results.”

And the upside is the opposite of the above.

Know your numbers and have up to date figures during the year

You pay what you have to pay when you have to pay it, but no more. So, no interest, fines, or late penalties

Your returns and payments are on time, every time

Bank finance is easier. They see that you have cash in the bank, your numbers are up to date, and they have confidence that you can repay them.

Tax clearance is in place, so you can get grants, get tax refunds paid, and is a requirement for Government supports

Your accountant is happier. They can help you more. Work on budgets, forecasts, and cash flow to ensure that your business grows more

No Revenue debt and not waiting for Revenue to knock on your door

No stress, confidence, feeling of control, and doing more of what you love doing because you are good at it.

More cash in the bank means more cash for you. Plan for your personal finances. Company pension, salary increase, and bonus become a possibility. That dream holiday in Portlaoise is no longer a pipe dream!

With solid numbers, we were able to take Conor and Amy to the next level of business planning, providing monthly reports on performance and helping them take enough money out of the business to meet their personal financial goals.

Let us take care of the bookkeeping process so you can work towards your goals

Investing in good bookkeeping is investing in your business. When you work with Comerford Foley you're backed by a whole team who are on hand to provide expert advice and practical solutions. We love to take care of our clients, because it's what we're passionate about. You get to focus on the things you're passionate about. The things in your business only you can do.

The first step in [our process](#) is to strengthen the foundations, and that includes uncovering any initial business problems you're struggling with. Like Amy and Conor and their debtors, our first priority is to take action on the thing that is causing you the most stress and worry in your business, providing peace before we get to planning.

It all starts with a [few questions on a form](#). Tell us about your business and what you need most help with right now. You may find there's a more simple fix than you think.



Comerford Foley

Not quite ready? That's fine too!

You can sign up to our [mailing list](#) or connect with us on



www.comerfordfoley.ie