

# Business Resolutions For The New Year

By Hamish Edwards

The start of a new year usually brings resolutions of a personal kind. But have you put any thought into what the New Year resolutions will be for your business?

The beginning of the year is the perfect time to evaluate business performance and plan for improvements. Signs are pointing to a future national economic slowdown, so preparing your business now will ensure you are in the best position to take advantage of opportunities as they arise during the year.

Here are some resolutions you might want to consider:

- **Plan ahead**

Now is a good time to sit down and write a one-month and one-year business plan. Note the changes you want to make and the steps you need to take to bring you closer to your goals. Consider where you thought you would be by now and where you actually are. Ask yourself where you want to be in five years and use your yearly goals to achieve that.

- **Set financial goals and milestones**

A five-year financial plan will help you reach your goals. Milestones need to be identified as they will determine the next steps for your business. Remember, your business not only needs to support you now, it needs to provide for your future.

- **Create a financial model**

What are your business' income, direct costs, wages, overheads and marketing costs? How do these relate to product sales, price and volume increases, customer numbers or working hours? How much time will you need to do the work and associated marketing or promotion?

- **Monitor performance**

Work with your accountant to identify financial targets and prepare a

monthly report that highlights the key performance indicators of your plan. Introduce a 12-month rolling cash-flow system. Evaluate the success of your business based on profit, not revenue. Set up an advisory group that meets monthly to discuss results and develop an action plan for the next month.

- **Know your customers**

Try categorising your customers. Identify which are the most valuable and set aside time to let them know how important they are to you. Customers enjoy doing business with people they feel care about them. Creating a trusting relationship is important because a strong customer base will drive the growth of your business.

- **Stand out from your competition**

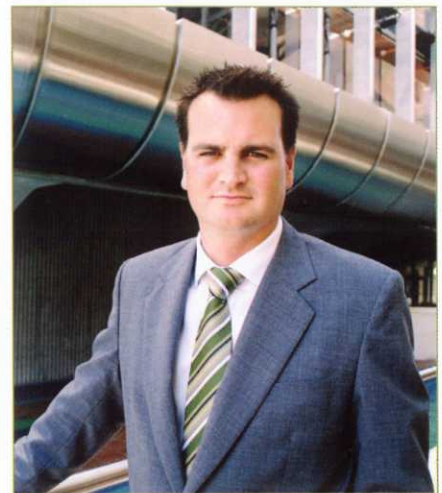
Take a good, hard look at your business and ask yourself how you've distinguished your business from your competition. Then determine what you'll have to do and how much it will cost to put your company at the top of your industry.

- **Stay focused**

Take a close look at any side ventures related to your business that you are involved in. Business owners sometimes invest in other ventures only to find that what they're really best at is their core business. Evaluate projects to determine if they're giving you a rate of return equal to your primary business. If they aren't, it could be time to evaluate what you need to concentrate on.

- **Refresh your business**

If your business is stagnating, ask yourself why. Are your staff tired? Does the team need an infusion of new blood, or is it a leadership issue? Consider holding regular team meetings to generate new ideas and get business input. If you discover something negative, turn it



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into an opportunity to make positive changes in your business. Be a leader, show positive energy and integrity so people will follow you forward. And be prepared to trust people to do their jobs well, because you should spend as much time as possible working on your business not in it.

- **Take quality time**

Finally, take enough time for yourself and your family or friends. The main reason many people go into business is so they will have more time with their families, more control over work hours or autonomy over how their time is spent.

Asking yourself some hard business questions early in the year will set you up for success. A lot of small business owners either spend too much time struggling to get clients and earning too little money, or become victims of their own success. You can overcome these problems by identifying them early and doing something about it, making 2006 a business year to remember in the process. ■