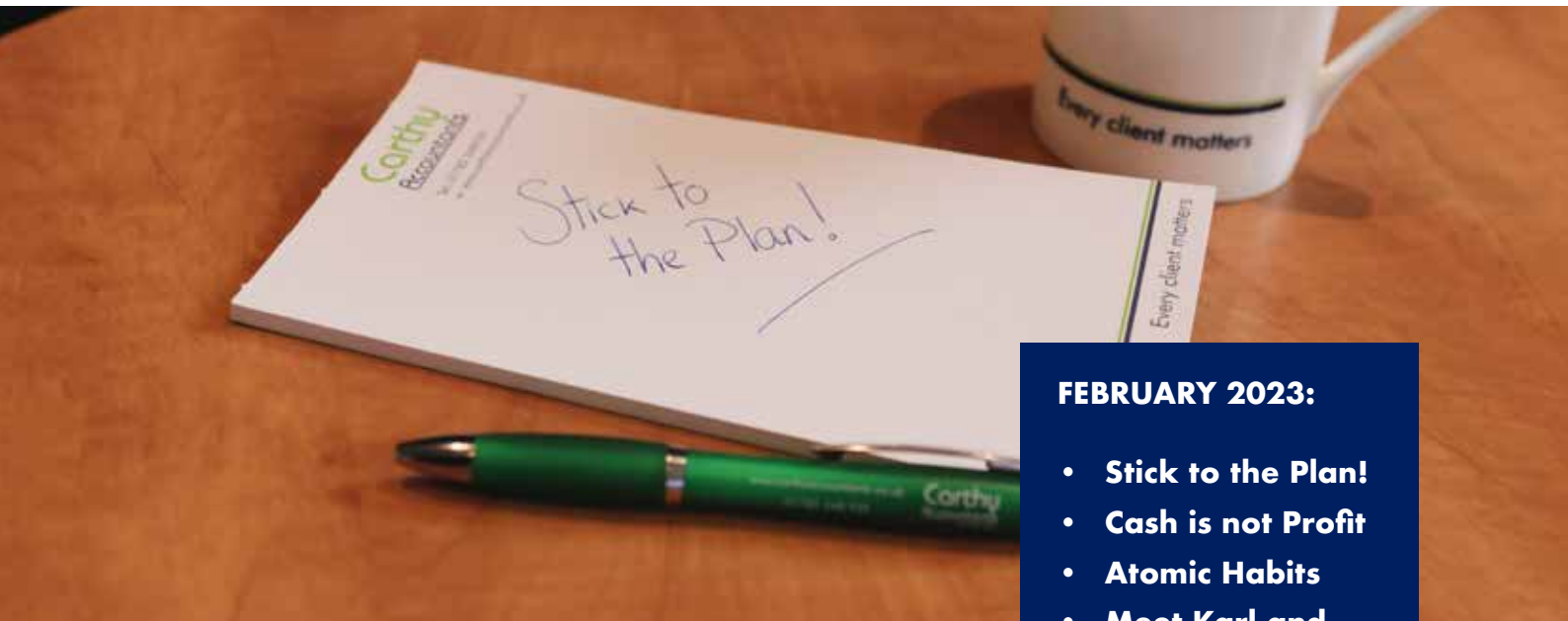


BUSINESS SUCCESS

Improving the lives of our clients

Carthy
Accountants



FEBRUARY 2023:

- **Stick to the Plan!**
- **Cash is not Profit**
- **Atomic Habits**
- **Meet Karl and Zara - Our Xero Heroes!**

February - the month of failed plans and shattered dreams. New Year resolutions are a distant memory, and Groundhog Day is on repeat.

Unless that is, you set a goal of being accountable and are willing to trust the process and make plans that affect change.

We all know that if we keep doing the same things, we will likely keep getting the same results, so this month, I encourage you to review your 2023 plan and see what needs to be done to keep it going.

Does it need a tweak? Do you need to share the plan with

someone else who can help you stay on track and hold you accountable?

Our business planning and accountability coaching sessions can help you build good habits, and break bad ones.

Understanding your cash flow and increasing your profit will also help you set your business up for success this year.

We can all find ourselves working in our business rather than working on it, and that's why we are here; to help you transform your business and achieve your goals.

Stick to the plan in 2023. A goal without a plan is just a wish!

Michael Carthy
Managing Director

“ **Does your plan need a tweak or do you need to share it with someone else?** ”





CASH IS NOT PROFIT

Let's be honest, the purpose of a business is to make money. That means knowing the difference between profit and cash flow.

Net profit is what you have left after you deduct all your business expenses from all your revenue. You can only improve net profit by changing the things that affect your revenue and expenses.

For example, if:

- You renegotiate with your suppliers, you may get stock cheaper, or carry less inventory.
- Your staff engage with customers better, you can learn more about what they do and don't like – and get more business accordingly.
- You can look at your utility bills, you may be able to run your business more efficiently.

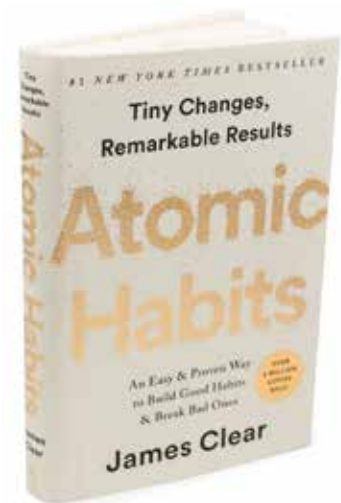
Interestingly, a profitable business does not always have good cash flow, and a business with good cash flow is not always profitable. For example, you can have good cash flow, and loss-making expenses.

It's also important to remember that just because the money is in your bank, it doesn't mean it is yours! Mr VAT Man is always looking for his 20%.

To work out how fast you can grow your business, look at your projected cash flow. We can advise you on this.

Talk to us about our Cashflow and Profit Improvement Meeting. See more on Page 4.

CARTHY 
BOOK CLUB



ATOMIC HABITS JAMES CLEAR

AN EASY & PROVEN WAY TO BUILD GOOD HABITS & BREAK BAD ONES.

New Year resolutions rarely work because they usually involve making a significant change; giving up an addiction; a complete change of diet; or a new fitness regime. James Clear has found that big changes come through small decisions. The compound effect of minuscule changes can have life-altering outcomes. If a plane left JFK for Heathrow and was just 1° off course after take off it would end up landing closer to France.

Clear argues that our habits don't change not because of us, but because of our systems. We do not rise to the levels of our goals but fall to the level of our systems.

Building better habits matters because it's not about material success or having something but more about becoming something better; it helps us become the people we want to be. Who doesn't want that?!

We have a few copies of Atomic Habits available. If you would like a copy contact info@carthyaccountants.co.uk. Once they're gone, they're gone!



Family values are very important to us, which is why we love Xero

Karl Simcock and Zara Taylor of Tony's Ices understand the importance of family values and having a good work/life balance. They were nervous about transitioning from spreadsheet accounting to online accounting with Xero software.

Working 12-14 hours, sometimes seven days a week, means that working on their accounts on a phone in the ice cream van allows them to be more present when at home with their family. We trained Zara on how to get the most from Xero.

“ Carthy Accountants were brilliant at helping me understand how to use Xero in an uncomplicated way. ”

Zara Taylor, Tony's Ices.

Find out how Xero can help you:
info@carthyaccountants.co.uk



Find out more about Tony's Ices at: icecreamstafford.co.uk

Networking for you

As a firm, we are big advocates of networking. The number of times clients ask us if we know anyone who can help with a particular situation is huge, and the fact we can refer them to a trusted partner is invaluable.

We are a part of two local networking organisations as well as running our own successful Carthy Club. We regularly guest-visit others to expand our network and add to our list of trusted partners. It also gives opportunities to be introduced to potential new clients.

We would like to invite you to come as our guest to one of our groups so you can dip your toes in the networking water and see if this method of face-to-face referral marketing is for you.

For more details on coming as a guest to a meeting, making new contacts and help with growing your business, please get in touch with our Business Development Executive Aaron Taft:

aaron.taft@carthyaccountants.co.uk



Team News

The start of 2023 has been non-stop at Carthy Accountants. We began the year with some fantastic news, our Client Relationship Manager, Edith and her husband, Dave, are expecting their second child together later this year.

Sadly, we say goodbye to Emma Pearce who is moving on to a new role in recruitment. We wish her all the best!

We also had confirmation on two new arrivals who will be joining us in March. Adam Roy will join us as a Client Relationship Manager, and Lorna Morris will join our Client Services Team. We will bring you more information on our new arrivals next month.



Improve your cash flow & profit

Do you wonder why there's never as much money in the bank account as you expected? Set up your business for success with Carthy Accountants.

A healthy profit isn't enough; profitable businesses can fail due to poor cash flow. At Carthy Accountants, we want to help our clients better manage their cash flow, and the first step is to determine your business's Cash Conversion Cycle. We can then help identify strategies to shorten the cycle, so you have more cash in your bank account.

Of course, profit matters too, and increasing your profit can increase your cash flow. You can set your business up for success by implementing strategies to improve both your cash flow and your profit.

If you're unsure of the difference between cash flow and profit and often wonder why there's not as

much money in your bank account as you expected, then our Cash Flow and Profit Improvement Meeting is for you.

All business owners who want to improve their cash flow and profit, and learn how to manage these more effectively, should make this a priority.



Benefits of a Cash Flow & Profit Improvement Meeting

- Learn the difference between cash flow and profit.
- Understand the key cashflow drivers and the Cash Conversion Cycle in your business.
- Identify ways to improve your Debtor Days, Inventory Days, and Payable Days (where applicable).
- Understand the impact small changes can have on your profit.
- Identify actions you can take to strengthen your cashflow and profit.
- Improve business processes to maximise cash flow, profit, and business value.

What is in our Cash Flow and Profit Improvement Meeting?

- Calculate your Cash Conversion Cycle.
- Determine strategies you can implement to improve your cash flow and profit.
- Use our calculators to demonstrate the impact these strategies can have on your cash position and profit.
- Identify actions you should take to implement these strategies and achieve your improvement targets.

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Every client matters