Business Improvement Guide

Expense Reduction

Over 120 tactics

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Expense Ready Reckoner

Net Margin %	Expense Reduction ($)									
	25,000	50,000	75,000	100,000	125,000	150,000	175,000	200,000	225,000	250,000
5	500,000	1,000,000	1,500,000	2,000,000	2,500,000	3,000,000	3,500,000	4,000,000	4,500,000	5,000,000
10	250,000	500,000	750,000	1,000,000	1,250,000	1,500,000	1,750,000	2,000,000	2,250,000	2,500,000
15	167,000	333,000	500,000	667,000	833,000	1,000,000	1,167,000	1,333,000	1,500,000	1,667,000
20	125,000	250,000	375,000	500,000	625,000	750,000	875,000	1,000,000	1,125,000	1,250,000
25	100,000	200,000	300,000	400,000	500,000	600,000	700,000	800,000	900,000	1,000,000
30	83,000	167,000	250,000	333,000	417,000	500,000	583,000	667,000	750,000	833,000
35	71,000	143,000	214,000	286,000	357,000	429,000	500,000	571,000	643,000	714,000
40	63,000	125,000	188,000	250,000	313,000	375,000	438,000	500,000	563,000	625,000
45	56,000	111,000	167,000	222,000	278,000	333,000	389,000	444,000	500,000	556,000
50	50,000	100,000	150,000	200,000	250,000	300,000	350,000	400,000	450,000	500,000
55	45,000	91,000	136,000	182,000	227,000	273,000	318,000	364,000	409,000	455,000
60	42,000	83,000	125,000	167,000	208,000	250,000	292,000	333,000	375,000	417,000
65	38,000	77,000	115,000	154,000	192,000	231,000	269,000	308,000	346,000	385,000
70	36,000	71,000	107,000	143,000	179,000	214,000	250,000	286,000	321,000	357,000
75	33,000	67,000	100,000	133,000	167,000	200,000	233,000	267,000	300,000	333,000
80	31,000	63,000	94,000	125,000	156,000	188,000	219,000	250,000	281,000	313,000

Equivalent Increase in Sales

How to use

1. Select your Net Margin (e.g. 25%)
2. Select your desired Expense Reduction column (e.g. $50,000)
3. Look at the amount where they meet (e.g. 200,000)

This example shows that if your net margin is 25%, a $50,000 reduction in expenses has the same impact as increasing sales by $200,000.

Impact of expense reduction versus increasing sales

The Expense Ready Reckoner illustrates why it could be easier to increase profitability by expense reduction than by increasing sales.

If your net margin is 25%, $1 saved equals $4 in extra sales. The question is which is easier. — wise business owner endeavours to do both.

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Business Improvement Guide – Expenses

New payroll reporting is a rare chance to improve your payroll, debtors, stock, sales, expense and fraud prevention systems. This guide includes over 120 tactics – the impact can be huge. Medium systems (like Attaché) help automate 90% of them yet cost less than a part-timer.

This guide targets medium businesses – typically $2m to $100m sales / 10 to 1,000 staff. While under 5% of businesses they provide a third of all revenue and jobs. A survey of 20 countries also shows them outgrowing small businesses by 10 to 1. Yet they are largely forgotten – lumped in the SME label when they are more like large businesses, but without their resources. Many still use small business systems which are holding them back. Now is the time to remedy that.

Where do you fit? Tick what applies to you

Small business	Medium business
❑ Simple payroll	❑ More complex payroll
❑ Single location / cost centre	❑ Multiple locations / cost centres
❑ Low stock levels / limited lines	❑ High stock levels / many lines
❑ Small customer base	❑ Large diversified customer base
❑ Simple pricing and transactions	❑ Complex pricing and transactions
❑ Limited finance required	❑ Funding required for growth
❑ Owner drives the business	❑ Staff with key responsibilities
❑ Limited staff development	❑ Culture to develop staff
❑ Short term planning	❑ Longer term planning
❑ Low external input	❑ External input utilised

Top 6 barriers facing medium businesses

Based on studies by the M-Institute, 90% of medium businesses face six barriers to reaching their full potential. Medium systems (like Attaché) help address all of them as these examples illustrate. The payroll, sales and expense guides tactics have more examples.

1 **Time to think:** 50% of staff productivity growth comes from IT investment e.g. self-service document portals could save 20 hours a month.

2 **Sales growth:** It is easier to get a competitive edge by improving your systems than your products e.g. 30% more enquiries could result in sales.

3 **Cash flow:** Better systems help unlock cash equal to 12% of sales e.g. automatic invoice reminders can reduce your overdues by up to 50%.

4 **Succession:** 70% of senior staff are looking to retire soon e.g. better systems can store a lot more knowledge and empower the next generation.

5 **Digital technology:** There is much more to this than social media e.g. an online web store could boost your sales by 20%.

6 **Affordable assistance:** This free self-diagnostic guide may unearth a number of tactics that could seriously assist your business, regardless of what software you use.

Allow 20 minutes to digest this guide – any questions please contact us.
Attaché is the top medium software provider across AU / NZ – 100% locally owned.
Mike Rich, Co-founder Attaché / NFP M-Institute / Guide Co-author / B.Com, FCPA, CA

13 expense improvement strategies

1. Educating staff

Educated staff are happier, more productive and less reliant on others. Your trading partners will appreciate it too – it helps improve everyone's business.

1   The aim is to create an atmosphere of constraint while **looking for ways to improve**.

2   Use the **Expense Ready Reckoner** (on page 2) to show:
- What a $50,000 expense reduction equals in sales
- If your margin is 25% it equals $200,000 in extra sales
- Which is easier? A wise business endeavours to do both.

3   Discuss how (a) **overdue invoices** can lose 20% or more in value in collection costs, wasted time, interest, write-offs; (b) **excess stock** can lose 20% or more in value in obsolescence, spoilage, interest, shrinkage, warehousing.

4   Discuss the importance of **accurate, reliable and timely reporting systems** to help manage a business today, including:

- **Stock system:** recording all transactions as they occur to accurately calculate:
  - Cost of goods sold, value and quantity of stock-on-hand
  - Where stock is e.g. which bin, sales-reps car, in-transit
  - Customer backorders, reservations, quantities sold.

- **Purchasing system:** ordering what you need at:
  - Right price / quantity / supplier / terms
  - Know your commitments for cash flow forecasts
  - Authorisation process.

- **GST reporting:** your legal obligations to account for all inputs and outputs:
  - Why you amend an invoice with a credit note
  - Don't post to prior tax periods.

- **Chart of accounts**: reporting income and expenses in the detail required to help:
  - Financially manage the business
  - Meet bank and other funding requirements
  - Legal reporting obligations e.g. tax office, other regulatory agencies.

- **Accounting periods**: matching income and expenses in the same accounting period so reported financial results are not artificially overstated or understated.

5   Discuss how **expense control** helps your business in other ways:
- Improves industry benchmarking comparisons
- Lowers your credit risk which reduces cost of funding
- Access to business secured loans vs. director guarantees.

Why not invite some of your customers and suppliers to a staff educational session that includes material from this guide. Some of the tactics will assist their business regardless of what software they use. Also invite your external accountant and IT service provider? Or direct them to our website: attachesoftware.com/guides

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2. Payroll improvement – employee self-service (ESS)

Staff are typically your biggest asset and expense. Our payroll guide has over 120 tactics and can be accessed at: attachesoftware.com/guides

1   Our payroll is **fast, automated, feature rich** e.g. unlimited employees, companies, allowances, deductions, bank accounts; standard pays; employee groups; shifts; split pays over jobs, divisions, cost centres; 18 extra fields e.g. licence numbers.

This page summarises our online services:

2   New payroll reporting – **Single Touch Payroll** (AU) / **Payday Filing** (NZ) – saw us develop **our own secure cloud connectors** to the ATO / IR rather than rely on a third party provider. As result, we were one of the first to market in both countries.

3   This also enabled us to build **new employee self-service functions** to enhance our position as the top medium payroll provider across AU, NZ and the South Pacific.

4   We also recognised that paper and email pay advices were past their use-by-date. Email open rates are now under 20%. And the cost to discuss and reproduce each one is estimated **at over $200.** The bigger your payroll, the more this happens.

5   **MyPay** is the answer – a secure self-service document portal that stores 42 months of pay advice history. Past and present employees have 24/7 access via their desktop or mobile device e.g. view latest pay advice, previous ones to support a loan application. If you use Attaché Alex past pay advices will roll access to MyPay. Read the 'Automating and tracking document delivery' section of this Guide to see how to extend this to other documents. Time saved could be 20-40 hours a month.

6   **Express Leave** is equally exciting with reactions like: "Your new leave request portal is a hit with our staff … thanks for that." It gives employees 24/7 access to their leave entitlements e.g. have a family discussion before talking with their manager. Leave requests are then processed faster and with added certainty. Managers can approve them online, flowing through to your payroll for processing.

7   In Australia, and potentially soon in New Zealand, 5 of the 10 National Employment Standards outlined in the Fair Work Act relate to leave entitlements, hence the importance of **Express Leave.**

8   **Employee portal** takes the added efficiency even further. The **organisation chart** can display your reporting lines, with photos. The **employee directory** stores all contact details in one place. **Employee onboarding** lets new staff enter their details before they start, while existing staff can maintain theirs as well e.g. address change.

9   **Timesheets** allows staff and contractors to enter their hours worked 24/7 via a mobile device or desktop. Includes multiple weeks, non-standard hours, pre-population with Express Leave entries; notes and supporting documentation; with email confirmation once approved, flowing through to payroll for processing.

10 **ClickSuper** is also part of our Australian online services. SuperStream compliant, it automates contribution payments to the various superannuation funds.

Directors and management have payroll and human resource responsibilities including being aware of the laws, fines and best practices. You need to ensure you have systems in place to meet these obligations and prevent reputational damage to your business.

Sharing information with your trading partners also helps prevent collateral damage – this could be as simple as directing them to our free payroll guide.

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3. Debtors improvement

Parallel with payroll, debtors is the ideal place to start – material improvements can occur within days. Medium systems (like Attaché) excel here.

1   It's time to cut the **time wasting and relationship damaging** phone calls and the disruptions overdue debtors can have on cash flow.

2   After agreeing on which tactics to implement – set a **debtors days target** and include in your staff KPIs. Aim to be your industry's standout performer.

3   To prevent **unauthorised orders** – have your order entry screens display a credit warning only a manager can override e.g. bad payer, overdue invoice, over limit.

4   Use **automatic invoice reminders** – they can reduce overdue debtors by up to 50%. Customers learn to pay on time or consult you if a potential payment issue may arise e.g. tendering for a major contract with extended credit terms.

5   Ensure your credit period is from **invoice date** – some firms erroneously use month end which also distorts customer buying patterns. Change when you can e.g. new pricing agreement, new customers, previously been overdue.

6   Use a **self-service document portal** – it tells you if an invoice isn't opened. No more excuses like "I never got your invoice". It also gives them access to 42 months of document history so they can do their own **account reconciliations**.

7   Send **statements** – our portal sends them within minutes of month end putting you at the front of the payment line. Larger customers may delay payment if they don't get one plus it's a reminder. It also enables them to match invoices, credit notes and payments which is one of the main ways fraud is detected.

8   Change your statement account ageing to **due / overdue** – 30/60/90 days actually encourages customers to delay payment.

9   Display the **due date** and bank account details on both invoices and statements.

10 Automate the document flow to **multiple branch customers** e.g. delivery docket and invoice to the branch; send a duplicate marked *'accounts copy'* plus statement to head office who handle payment.

11 Use **dashboards** to sort your overdue invoices e.g. largest, longest, over or under a certain amount. Set up automated **'to-do lists'** so reviewed on a regular basis.

12 Use **CRM system** to record multiple customer contacts to escalate discussions, plus make notes for anyone to view and update e.g. promised payment date.

13 Use **supplier contacts system** to record multiple contacts to escalate discussions, plus make notes e.g. product warranty issue that's holding up payment.

14 Use **cash flow forecaster** to manage your cash position, including debtors, so you know if a 'crunch' is coming and do something about it well in advance.

15 Other ways to reduce your debtors and improve cash flow include:
- Use **pro-forma invoices** for deposits – to stop premature GST payments
- **Order confirmations** – email to reduce shipping and pricing errors
- **Request faster payment** – if low margin, indent item
- **Delivery driver's** bonus – for collecting payments.

Send this guide to appropriate customers. Sharing tactics like these could account for a 15% debtors improvement across your ecosystem. attachesoftware.com/guides

4. Automating and tracking document delivery

Another easy way to immediately improve. If already using Attaché Alex jump to the last point and get all your customers and suppliers to register for BizDocs.

1   Traditional emailing of quotes, invoices, statements, purchase orders etc. is past its use-by-date. **Self-service documents portal** is now the solution.

2   As volumes and scams have grown, open rates are now under 20%. The cost to chase up each lost email is **over $200**. Time and energy far better spent elsewhere.

3   There are even bigger costs like **lost sales** as quotes and purchase orders get lost, **debtor blow-outs**, stock re-ordering disruptions, loss of customer goodwill.

4   **Self-service portals** (like Attaché BizDocs) is the best way to deliver and store them. Time saved can be 20-40 hours a month – justifing the small fee many times over. We now deliver up to 100,000 documents a day to over 1 million entities.

5   The portals are in a spam free **'tamper-proof' environment** and there are no attachments that can get rejected by a fire wall or be hacked by scammers.

6   Delivery to the portal is **automatic**. Recipients have 24/7 access to the past **42 months of documents** without data limits or fees. This also means your customers and suppliers can do an **account reconciliation** without needing to disturb you.

7   Each document is **tracked** to record when delivered and opened so you have proof of delivery. No more excuses like "I didn't get it".

8   A plain English **exception report** lists any documents that weren't delivered or not opened i.e. there are no complicated ISP error messages.

9   **Inclusions** let you add extra information like product announcements, promotions. Recipients can print and save them elsewhere if they want.

10 When invoices go with the goods you can send a **duplicate** marked *Accounts Copy* so if the invoice gets lost in the warehouse you still get paid.

11 **Overdue invoice reminders** can be automatically sent without a single phone call. Could reduce overdues by up to 50%.

12 If you don't send **statements**, you should – they speed up payment and are an important audit tool. Can dispatch within seconds of month end.

13 Each type of document can be addressed to the appropriate department e.g.
    - **Customer order confirmations** to their purchasing department
    - **Invoices, credit notes, statements** to accounts payable department
    - **Purchase orders** to your supplier's sales department
    - **Remittance advices** to your supplier's accounts receivable department
    - **Pay advices** to the employee with password protection.

14 Can also **fax** documents if an email is off-line or a particularly bad payer.

15 It is all part of the move to the paperless office with other efficiencies like:
    - **Filing cabinet space freed up** as manual filing reduces
    - **Sales staff can handle most enquiries** which customers appreciate
    - **Access rights** make electronic files more secure. Paper can get lost, misfiled.

Get your document recipients to register for an **Attaché Online Account** – it gives them 24/7 access to 42 months of documents you have sent them e.g. view previous invoices, do account reconciliations. More efficient for both of you!

5. Reducing cost of sales, freight and other expenses

Medium systems help reduce your costs and the savings go straight to the bottom line.

1 **Formal purchase systems** help ensure you only order what is required, at the right price / quantity / supplier / terms. The impact can be huge e.g.
   - 2% reduction in cost of sales
   - 5% reduction in expenses.

2 Your **supplier system** should also help you manage supplier payments e.g.
   - Do not duplicate or miss payments
   - Know your commitments in advance
   - Avoid supplier induced premature payments
   - Seek early payment discounts if cash flow is good.

3 Use **requisitions** so expenditure is authorised before creating a purchase order.

4 Show **agreed price** on your purchase orders and automatically compare it with their invoice to reduce over charging, over supply, misunderstandings.

5 Introduce **re-order levels** on those products that should always be in stock, allowing for seasonal movements, trends, shipping or manufacturing constraints.

6 Automatically generate **requisitions from the stock re-order report** to ensure stock levels are fulfilled and orders from same supplier are consolidated.

7 **Consolidate purchase orders** from requisitions and set minimum re-order quantities so that you maximise quantity discounts and minimise freight costs.

8 Set up **alternative suppliers** for options when sourcing competitive pricing.

9 Create **standing orders** with regular suppliers to maximise discounts.

10 Use **cash requirements reporting** with the amount available to pay option so you plan for potential shortfalls before they happen.

11 Use the supplier invoice **due date** to avoid missing out on discounts, penalties for late payments or upsetting key suppliers where you have special terms.

12 Monitor the **level of purchases** from each supplier so you can negotiate better payment terms and discounts as expenditure grows.

13 Monitor **suppliers websites** to take advantage of any specials available.

14 Put your **customer's address** on supplier purchase orders for indent or back-orders so they can ship directly to them – arriving sooner and reduces your costs.

15 For high frequency customers **consolidate multiple orders** into regular shipment.

16 Use **multi-location stock** to track every item including in your service vehicles e.g. avoid unneceassry panic supplier orders for urgently needed spare parts.

17 Allocate a **run number to customers** so deliveries can be made in a logical sequence.

18 Use product **dimensions and weight** to optimise usage of packaging materials and transportation plus avoid OH&S issues.

19 Use **customer order confirmations** to reduce incorrect deliveries and returns.

Discuss these tactics with your managers. Feedback includes improved gross profit by $800,000; packing and delivering much faster; payment surprises now rare.

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6. Stock and sales improvement

The sales guide has a raft of improvement tactics – many with immediate impact for minimal effort. Medium systems (like Attaché) excel here – this is a quick review.

1   After agreeing on the tactics – set a **stock days target** and include it in your staff KPIs. Aim to be your industry's star performer.

2   Ensure your stock records **match physical stock** at all times so (a) staff and trading partners trust them, (b) your financial and tax reporting is accurate and timely.

3   Ensure you have **all the features** a business of your type and size should have. Here are some key ones for wholesalers/distributors/manufacturers:

- **Fast, scalable, unlimited capacity**, access rights, audit trails, secure
- **Definable fields** e.g. transit time, use-by-dates, indent item, revision, size
- **Multi-locations** e.g. stock in branches, service vehicles, consignment
- **Costing method** plus decimal places to suit the accuracy you need
- **Alternative / substitute** to reduce panic supplier orders
- **Superseded / inactive** to stop re-ordering but keep history
- **Customer special pricing** – always right price, volume / time breaks
- **Standing orders / preferred items** – faster entry, reduce errors, up-sell
- **Customer purchase agreements** e.g. quantity, price, time based
- **Supplier purchase agreements** e.g. quantity, price, time based
- **Display gross margin** on input screen to ensure acceptable
- **Kits /complementary items** – increase average sale value
- **Back-order system** – automatic release as stock arrives
- **Landed cost calculations** – more accurate costing
- **Rolling stock takes** vs major annual disruption
- **Bin locations / bar codes** e.g. faster packing
- **Batch and serial numbers / supplier codes**
- **Import updated supplier price lists** – faster, no errors
- **Automated price changes** e.g. CPI, exchange rates, awards
- **Automated stock re-ordering** e.g. min / max, forecasting
- **Cash requirements reporting** – sales, debtors, expenses, purchase orders.

4   **Online web store** – sell into new areas, combat low margins and high sales costs, clear old stock. **Mobile devices for field staff** – sales reps place orders from field, merchandise staff manage their visits.

5   **Manufacturers** – what items need to be built based on kits, BOMs, customer orders, sales history. Including machine scheduling, manufacturing forecasts.

Supplier contact system

6   Monitor the **level of purchases from each supplier** so you can negotiate better payment terms and discounts as expenditure grows.

7   **Record multiple contact details** so you know who to call and who to escalate things to if needed – with **notes** and access to relevant correspondence.

8   **Automate supplier agreements** e.g. price x volume x time to help both parties grow sales and protect **continuity of supply** e.g. if a major supplier sold their business.

Discuss these tactics with your managers – could materially improve your sales, cost of sales, stock and customer satisfaction. One company increased gross profit by $800,000.

7. General ledger improvements

Medium systems (like Attaché) are noted for their powerful general ledger features.

1 Here's a few examples which also make Attaché easier to use e.g.
- **Shortcuts** – fast access to regularly-used functions
- **Interactive workflow diagrams**, integrated help, videos
- **Resize** fonts, windows, report previews to what suits you
- **Multiple screens** can be open at once for faster processing
- **Multiple companies** – can quickly identify which one you are in
- **Password levels / access rights** – control who can see and do what
- **Validate cost centres** during transaction entry e.g. suppliers, payroll
- **Financial Controller** – ensures in balance with your subsidiary ledgers
- **12-month actual reports** – easier to identify missing items, big changes
- **Drill down from reports** – investigate expenses / see source documents
- **Supplier recurring invoices** – automated / set and forget e.g. rent, leases
- **Automated reports (inc.GST)** – make better use of your external accountant
- **Budgets** – easy to setup / multiple methods e.g. last year actual, Excel import
- **Services** – display last price paid / automatically post to GL accounts, cost centres
- **Search** e.g. find customer, supplier, GL account / part of name, contact, phone
- **Automatic data capture** e.g. if a high volume of supplier invoices
- **To-do lists** e.g. tax dates, reconciliations, staff reviews.

2 **Chart of accounts** – very powerful / can report on revenue, expenses, liabilities, assets to the managerial detail you need to help improve the business.

3 **Departmental accounting** – lets you report by location and cost centres. Helps staff look for ways to improve their respective area.

4 **Purchase order system** e.g. stock, advertising, equipment. With systems alerts if a purchase order pushes you over a budget amount.

5 **Cash flow forecaster / requirements reporting** – important for the bank, insurance company and ensuring you identify a potential cash flow issue before it arrives.

6 **Real-time dashboards** – no longer do you have to rely on historic reports and spreadsheets (90% of which have material errors):
- **Standard dashboards** – stock, debtors, sales, purchasing, payroll, suppliers
- **Visual management** – can see what needs to be done without being told
- **Up to 8 reports per screen** and access rights govern who sees what
- **Monitor cash position** e.g. debtors, creditors, bank account
- **Monitor KPIs** e.g. debtors and stock days, GP margin
- **Drill down** into live data e.g. orders, invoices
- **Filter data** e.g. largest overdue invoices
- **Search** on part of a name, code, phone number
- **View** lists, calendars, graphs, add totals and search boxes
- **Report designer** – lets you create a unique report or amend one.

7 **Financial Controller dashboards** take it a step further e.g.
- **Track postings** – certain $ amount
- **Monitor** key expenses
- **Alerts** if over budget.

Send this guide to appropriate trading partners. Expense improvement tactics are a common bond and it can be 'win-win'. Sharing tactics like this could account for a 15% improvement across your ecosystem. attachesoftware.com/guides

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8. Fraud – reducing the opportunities

Every year an amount equal to 6% of sales is lost to fraud. Medium systems (like Attaché) reduce the opportunities for fraud.

1   Fraud takes many forms. **Theft** of cash, stock, equipment, kickbacks, **intellectual property** like price lists; **unauthorised** discounts, purchases, gifts, expenses; **payroll** time theft, bogus employees; **managers** bogus sales to reach target; laziness e.g. failure to check inwards goods; get a second quote; follow up a prospect.

2   **Reducing opportunities for fraud** is key to its reduction.e.g. better stock control. can't amend invoices once dispatched (also GST requirement); alerts like low margin sale, duplicated reference; access rights to key functions; asset management systems.

3   Your systems should help identify potential fraud e.g. **low margin sales**, duplicated reference numbers, employee sick leave patterns.

4   CRM and supplier contacts systems should record **staff / 3rd party relationships**, unethical conduct, authorisation of credits and special pricing.

5   Staff can't share logins and screens only display what they are authorised to see and use – deleted the moment they leave the business.

6   Some of the ways medium systems (like Attaché) reduce opportunities for fraud:

- **Control prior period postings** – can hide fraud
- **Control data deletions** – removes history / can hide fraud
- **Automatic consecutive document numbers** – tracking easier
- **Audit trails** – can't turn off / hide supplier bank detail change
- **Invoices entered** can't amend or delete and pocket payments
- **Flag new customers, suppliers, staff** as inactive until approved
- **Customer special pricing** helps ensure prices are always correct
- **Introduce re-order levels**, stock requisitions and purchase orders
- **Regular rolling stock takes** to check stock packaging and quantities
- **Your stock systems** always match physical stock and staff know this
- **Multi-location stock / bin locations** so you know where every item is
- **Flag inactive** customers, suppliers, stock items so no transactions occur
- **Set maximum pays** – to warn of variances prior to payroll processing
- **Employee leave warnings** if goes negative or an excessive time built up
- **100% depreciated assets** – keep in your records / apply an insurance value
- **Provide remittance advices** so suppliers can track all transactions in their name
- **Provide statements** so customers can tract all transactions in their name
- **Control document email addresses** so opened by right person – easier in a document portal like Attaché BizDocs.

Fraud is often unearthed by customers and suppliers e.g. why is our payment shown at a later date, different amount, not there? Sharing tactics like this could account for a 15% improvement across your ecosystem. attachesoftware.com/guides

9. Asset management – business risk

Medium systems (like Attaché) offer an asset management module. With today's focus on business risk, regular maintenance and accurate reporting this is important.

1. Many businesses are disrupted by catastrophes more than they should be because they can't provide an **accurate list of the assets** destroyed.

2. 90% of spreadsheets contain errors, plus few provide **all the details an insurer needs**. Some are badly out-of-date, missing recent acquisitions and disposals.

3. The asset module lets you import and edit data from a spreadsheet, then add things like **replacement value, where located, images, bar codes**.

4. You can also **maintain a service diary** for your vehicles, machinery and equipment including maintenance history, warranties, inspections, certifications.

5. **Reporting options** let you filter by category, location, department and groups e.g. furniture, fittings, vehicles, plant, machinery.

6. **Three depreciation methods** – accounting, tax and a spare one, with automatic recalculation if rates change. Using tax rates for your management reports can under or over state your financial results and business value.

7. You can **forecast depreciation** into your budgets, handle part or full disposals, plus remove disposed items from the register at year end. It integrates with your **general ledger** including **split depreciation** across multiple cost centres.

9. **Business continuity insurance** and **asset purchase planning** also requires the ability to do forward cash flow projections which our **cash flow forecaster** helps provide.

10. Customer relationship management systems (CRM)

CRM is included in medium systems (like Attaché) without needing extra CRM licences. It makes **communication** about expense-related matters far easier.

1. Provides **instant access** to customer contact details, discussions, emails, etc, plus direct access to their accounting records.

2. Can record multiple **contacts** so you know who is in sales, purchasing, management, etc. if you need to escalate an expense-related matter.

3. You can add notes, so there is **no excuse** for staff agreeing to a discount already declined by management. Or varying the terms of an agreed settlement of a matter.

4. Can **establish procedures** for recording certain customer discussions e.g.
   - Any threat of legal action, made casually or otherwise
   - Claims a stock item was faulty, caused damage
   - Special obligations e.g. pay in seven days, no returns
   - Warnings on extra discounts they constantly seek.

5. Can use the **to-do list** for diary your activities e.g. every Thursday go through outstanding debtors with your collection staff and **highlight overdue tasks** in red e.g. chase up freight invoices from a supplier to justify their charges.

6. Can create **emails** e.g. credit card fee changes, introducing a new customer to your policies like signature required for each delivery, credit terms, returns policy.

> **Your trading partners must also be ready for a catastrophe.** CRM helps provide contact details. Sharing tactics like these helps everyone. attachesoftware.com/guides

11. Jobs, projects, manufacturing

Medium systems (like Attaché) are strong in these areas including integration with specialist systems e.g. construction, job / project / production management.

1   Creation of job **estimates and quotes** using templates that also have your standard terms and conditions. When accepted, **creating job, budget and purchase orders** to suppliers and sub-contractors.

2   **Visual dashboards** with jobs sorted by due date, % complete, so employees can see the progress highlighting any bottlenecks or work shortages. With up to the minute costing information including where costs exceed budget.

3   **Job planner** that schedules and visually tracks jobs including adding unscheduled jobs on to the calendar and also views employee's schedules side by side.

4   **Timesheets** – employees can enter their hours via a mobile device for job costing and billing purposes. Assigning work to an activity and bill at different rates depending on the job, customer or employee.

5   **Project management** – assign jobs to a project with multiple milestones and manage them. Filter by current milestone so everyone can see where the project is at.

6   **Machines and equipment** – track fuel, repairs, leasing, registration etc. to get an accurate cost per hour. Have stock items for wet and dry machine hire that can be used for customer billing.

7   **Manufacturing control** for modest sized operators to track these jobs and costs without needing an ERP system. With ability to predict what needs to be built based on orders and sales history, enter the quantity and create requisitions.

8   **Batch / serial numbers** – display on invoices, with a search facility to find who purchased from and sold to or where used if a manufactured item.

12. Some interesting quotes from others – NZ, AU, UK

1   **NZ Business magazine**: You may stay small for good reasons but it's more fun and more lucrative being medium. You move from 'doing to managing', feel more in control, time for the odd overseas break, plus your profit multiple is also higher.

2   **Family Business Australia** survey (86% were MSBs): 9 out of 10 said IT is having a positive effect on the way they interact with their customers; and 8 out of 10 said it's also having a positive effect on the way they interact with their suppliers.

3   **Unlocking growth in UK** medium businesses report: MSBs are vital to our economy, creating jobs and prosperity across the country, especially in regional areas.

4   **Governance Institute (ANZ)**: All directors must know about the technology that underpins the survival of their business and enables improvements in productivity.

5   **Digital Leadership Institute**: The Attaché Guides embraces ISO 38500, helping those at the top improve business performance and reduce corporate governance risk.

6   **Quantum leap sales growth theory:** You need to focus on 3 things: (a) increasing your number of customers; (b) average sale value; and (c) frequency of purchase. The higher their 'life-time-value' the more energy you should put into this. Do several easy things at once for maximum impact.

13. Medium business – vital differences

Attaché targets medium businesses, not small. Some large businesses also use our software – typically for a branch operation or standaone payroll – our audit and data protection capabilities being top-of-mind.

1   Medium businesses are typically profitable, family run and trading for over 10 years. They are **'unsung heros'** i.e. under 5% of all businesses yet they provide a third of all revenue and jobs.

2   Like large businesses, they don't want multiple unrelated software vendors. They want fast, integrated, feature rich systems that will last over 10 years. With **'one-throat-to-choke'** local service agreements.

3   They have a lot more at stake e.g. while a small business may put everything in the cloud, **over 70%** of medium and large businesses prefer **hybrid systems** (like Attaché) on premise with some cloud – as it increases success and reduces risk.

4   They also don't want their business to be at the **mercy of the Internet's** speed or availablitity, nor have their data spattered across multiple servers.

5   Attaché is no stranger to the cloud. We launched our cloud document management system back in 2000. We now service over 1 million entities, processing up to 100,000 documents a day.

6   Our cloud based **payroll online services** are ahead of the pack in features. All employee data is encrypted, kept inhouse and we can process 24/7 at high speed.

7   Attaché also has an industrial database with up to **300% performance** gains. Plus two layers of **backup** including data, user profiles, screen and document layouts.

8   While some advisors may promote specific small cloud systems, bigger firms are **typically agnostic** – working with whatever software their client have. We respect this and provide free access to our checklists and guides because they are exceptionally useful to most businesses no-matter what software they may have.

9   In business since 1981, Attaché has received numerous **awards for excellence** including best business leader award for services to medium businesses.

10 Thank you for taking time out of your busy day to digest this guide. Hopefully you have unearthed a number of tactics that have made you smile.

Next step

Talk to your Attaché consultant or call us on the number shown on the front page.

Note: This guide was created to help you be the judge of whether your business systems are in need of review. Although it has been professionally prepared no representation is made as to the potential business improvements benefits resulting from the use of Attaché systems. In practise any benefits depend entirely on the individual business and its circumstances and should be independently verified before being relied upon.