

## 9 tips to achieve business Financial Wellbeing

### Is your business struggling or thriving? Here are 9 top tips to help you ensure your firm is fighting fit financially.

For business owners, both large and small, good planning is essential in order to increase the chances of weathering any events that may arise.

But often and for a variety of reasons or factors firms are often stretched or struggling and far from the ideal of managing and thriving. Some factors are beyond your control, but others are down to discipline and organisation.

Here are 9 tips to take back control:

#### 1. [Take a Financial Wellbeing Healthcheck for your business](#)

Is your business in good shape financially? Take two minutes to check your financial health and learn how to improve it.

#### 2. [Avoid common cashflow mistakes](#)

One of the most common reasons that small businesses fail is that they do not manage their cashflow successfully. Here are five top mistakes to avoid.

#### 3. [Calculate your break-even point](#)

Put simply 'break-even' is the point at which your revenues cover your expenses. By knowing your break-even point you can determine how many units you need to sell to cover your costs. This will allow you to evaluate the viability of your business and enable you to locate areas where efficiency and profitability can be improved.

#### 4. [Identify and manage business risk](#)

The best risk management strategy involves evaluating and preparing for the known risks so that you know exactly how you would react should they arise. However, you cannot plan for everything so another aspect of risk management is how you respond when an unexpected risk hits.

#### 5. [Grow your business with smart borrowing](#)

A common thought among businesses is that no debt is good debt and that, where possible, capital

and cash reserves should be used instead of a loan or any other line of credit. But this is not always the case. Financing can be a good way to fund expansion plans when you do not have the necessary capital of your own available.

## **6. [Take these simple steps to improve sales and grow profits](#)**

Running a business can be challenging but learning to experiment with different strategies can help you to become more profitable. Here are three top financial wellbeing tips to help your business grow.

## **7. [Keep a cash reserve](#)**

Having a cash reserve is one thing that many successful businesses have in common and a crucial aspect of the financial wellbeing of your business. A cash reserve, or emergency fund, acts as a buffer and allows you to pay your employees and yourself during lean times.

## **8. [Focus on your key customers](#)**

The 80/20 rule, also known as the Pareto principle, says that 80pc of profits are generated by 20pc of customers. By doing an assessment of your existing customers you can find and focus on that 20pc. Once you've identified your most profitable customers you can expand your customer base by targeting customers who fit the same profile.

## **9. [Diversify to accelerate business growth](#)**

Diversification can provide a path to fast growth as you develop new products and expand into new markets and it can also safeguard your company against becoming over-reliant on any one market or product.

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