



Higgins & Co. Chartered Accountants

Sráid Sheáin Mhic Dhiarmada . Manorhamilton . Co. Leitrim . F91VK63
Telephone: +353 71 98 55 259 . E-Mail: info@higginsco.ie

Visit our website: www.higginsco.ie

NEWSLETTER

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What should you consider when selling your business?

We occasionally deal with clients planning to sell their business. When you decide it's time to sell your company, you'll want to get the best deal possible. And the sooner you start thinking about selling, the better, so your company is in the greatest possible situation to attract an investor.

We also know that the more appealing your firm seems in the market, the higher the price you'll get or the higher the return you'll get when selling your company shares. We understand how important your company is to you, but a buyer will be more objective and realistic.

Here's a list of things to consider when you are planning to sell your business.

- **Invest in adding value** – Keep profits in the business, sell assets you don't use, reduce your personal drawings and plough that money back into the business.
- **Work on your documentation and reports** – A potential buyer will want to look at your business plan and solid financial reports to ensure they are buying a sound business with attractive profit forecasts.
- **Have a proper exit strategy** – With a plan that has agreed targets, so you can track and measure whether goals are hit, and a strategy your team can get behind.
- **What's it worth?** – The value of something is based on what the market is prepared to pay but the value of a business will also be based on the profit you make, the assets held, intellectual property or what it would cost a potential buyer to build the business up themselves.
- **Communicate with the team** – Make sure you have communicated with staff and stakeholders for the best outcome.
- **Consider where your buyer might come from** – Competitors, investors, employees. You may already know your buyer. Make sure you have the help you need to navigate the negotiation process.

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Four steps to social media success for your business

We know that social media marketing can be a compelling way to solidify branding, create quality leads, and drive sales. Or it can be a time-wasting chore that doesn't represent your brand in the marketplace and doesn't connect with your customers.

With a clear strategy and strong follow-through, it can help humanise your business, creating a brand that feels familiar, relatable, and magnetic.

Here are some tips from our team to help guide you through your social media marketing.

- **Have absolute clarity about your positioning.** What do you stand for as a business, who is your target audience, and what do you do (in simple lay terms)?
- **Understand the 'internal questions' your customers might have.** Meaning what are the obstacles stand in the way of a customer buying from you. If you understand this then you can create content that answers these questions.
- **Establish what platforms your customers live on.** Different demographics favour different

platforms and each platform has its own 'culture'.

- **Ensure you communicate with your customers using an appropriate tone.**

Take GoMo and Eir as an example. They are owned by the same company and broadly speaking they deliver the same product. However, they communicate with their customers in a completely different way.

Could your business survive without you?

A good question worth asking yourself as a business owner is, would your business still thrive, or would it suffer a catastrophic failure if you suddenly stepped away?

It's tough to remove yourself from the day-to-day operations when you're passionate and busy. However sudden accidents, illnesses, or family emergencies can – and will – happen and you need to be able to step back knowing your systems are robust enough to cope.

For your business to work for you, you need to make yourself replaceable.

Large corporations have plans in place to mitigate what's known as 'Key Person Risk'. But when you run a small entrepreneurial venture, who is the backup?

A fully formed exit strategy takes all business stakeholders, finances and operations into account and details all actions necessary to sell or close. Strong plans recognise the true value of a business and provide a foundation for future goals and new directions. Here are some top tips from us.

No one is irreplaceable – Challenge yourself to step away for a week. Which systems fall over? Which procedures get left hanging? Which duties get ignored? Go cold turkey as a test case for the time you may

have to leave your business in the hands of others.

Embrace innovation

– Get systems that are simple, streamlined, effective and can be used by multiple key team members. Make sure anyone can log in and see exactly what's needed for what reason at any time.

Recognise the value you're creating – A business that doesn't rely on its owner is worth a lot more when the time comes to sell or pass the reins to someone else.

Establish your competitive advantage

We understand that knowing what it is that makes someone choose your products and/or service over your closest competitor is critical business information.

To drill down into the fundamental elements of your competitiveness, you need to ask some important questions about the nature of your products/services, so you know precisely why your brand appeals to your core customer base. So what should you ask yourself? Here are some questions to consider.

Were you first into the market?

– If you've been a true innovator in your sector, you may have been the very first company into your current market. Whether that's a new kind of software app, or a unique piece of farming equipment, you need to protect this position and ensure you stay the dominant player in your new niche. Could your product/service be copied? – If you hold a unique position in your market, it's crucial that your product/service can't be copied and rolled out to undermine your position. As such, you need to protect your intellectual property (IP) and file patents and copyrights for all the relevant IP that gives you your competitive advantage.

Are you niche specialists?

– Your competitive advantage may be that you offer a truly niche specialty, where there aren't many competitors in this particular market. To protect this dominance, it's important to maintain your high-quality service, to work closely with your customers and to remain at the cutting edge of the specialism.



Can you differentiate your product/service?

– Does your product stand out from other similar products offered by your competitors? The more unique you can make your offering, the more likely it is that your brand will be the one that people turn to. You can differentiate by features, price, customer service etc. to make sure you're the stand-out option for customers in this market.

Do you offer greater value?

– Any transaction aims to bring value to your end customer. But are you able to deliver a better service or offer more value than your competitors? This may mean offering added value that can't be matched by other companies; for example, your brand being more local, more sustainably sourced, faster to be delivered, or coming with better customer support.

Do you offer a better price point?

– Price can be a real differentiator, so you need to constantly be aware of how your prices compare to those of your competitors. Is your product cheaper than others? Or are you pitching your price at the top end of the market? The more competitive your price point is, and the more it's linked to your unique value, the easier it

will be to carve out a competitive advantage.

Is there stable demand for your product/service?

– do people need your specific product and what's the size of the demand? Do you have a strong network amongst your customer base, or is a competitor gradually winning market share and undermining your supremacy as the market leader? This needs to be regularly reviewed and assessed. Is your product/service easy to buy? – The way you distribute your product or service can have a big impact on your market position. How quickly and efficiently can you deliver your offering to your customer? And do you have exclusive rights to a distribution channel that makes it easier for your customers to buy from you?

Does your brand have wider appeal?

Do your customers identify with your brand in a profound way, and do you have 'fanboys/fangirls' who are advocates for your products? It could be that your company philosophy, your values and the way you interact with your customers all offer something unique that draws in customers and makes them stick with your brand.

Have you got a strategy for a financially stress-free holiday period?

We know that summer breaks are a chance to recharge for the year ahead, especially after the year we have had. We look forward to warmer weather and finally setting up an out-of-office email for the break. However, for business owners, this time is stressful without careful cash-flow planning.

Even if you do continue to operate through the holiday season, your customers' financial behaviour may not remain the same. Here are some tips to help you have a stress-free summer break:

- **Decide your holiday break dates** – confirm these with staff, customers and suppliers.
- **Budget and plan for annual**



leave – You may need to factor in temp staff.

- **Decide** – if you are going to pay out leave in full at the beginning of the break or continue to pay as usual throughout the break.
- **Review your work in progress (WIP)** – plan to complete jobs or services that can be invoiced and paid (remember if you don't invoice and get paid before the break, you may not see the money for another month).
- **Capacity planning** – There is

often a rush to get everything done before the summer holidays, whether it's the kitchen benchtop installed or the beauty treatment before the break, so make sure you have the capacity to maximise on this.

- **Stock-take** – Do you need to order goods now to be able to complete work in progress? Check that there is stock on hand available.

What's your net worth?

We are aware that calculating your net worth can be a quick and easy way to get an outline of your financial position. By working out your net worth each year, you can get a sense of whether your finances are going in the right direction.

Tracking your net worth can also help you focus on the big picture

during those times when it seems like you're going backwards at a rapid rate. Here are some tips from us on calculating your net worth:

How to calculate your net worth

Net worth is assets minus liabilities. The simplest way to work out your net worth is to jot down the value of your assets and then all your debts. Subtract the total value of the debts from the total value of the assets and that's your net worth.

What should your net worth be?

Net worth tends to increase over

time, and there are various formulas saying what you 'should' be worth for your age. For example, one estimate says that by age 30 your net worth should be half of your annual income; by 40 your net worth should be double your annual income; by 50 it should be four times your income, and by 60 it should be six times your annual income. But rather than comparing yourself to a formula, net worth is more useful as a way to monitor your progress. If it's increasing steadily over time, you're doing something right.

Better Virtual Meeting Management

We are aware that although virtual meetings were a rare occurrence before the era of lockdowns, self-isolation, and working from home, now they are a part of everyday business life. It appears that virtual meetings will continue to be a mainstay of how we conduct business for the foreseeable future. Previously, your company may have held occasional virtual meetings with clients located outside of Ireland but now most companies have staff members working from home in some capacity every day.

Since the outbreak of the pandemic, we have participated in our fair share of online meetings, therefore we thought it would be helpful to provide some advice to our customers about how to conduct an effective online meeting. Here's our guide to getting virtual meetings right:



- **Give folks time to introduce themselves and get to know one another.** Virtual meetings frequently display a lack of focus but keep in mind that being efficient does not necessarily equate to being productive. Pure task-focus can undermine social cohesiveness by encouraging people to accept their jobs as-is and refrain from questioning authority. Introduce individuals to one another to promote connection, ease hierarchy by encouraging full involvement, and give people time to become used to hearing diverse accents and points of view.
- **Align the meeting's duration with its objectives.** Beware of Parkinson's law: while human attention tends to wane as

time passes, work grows to occupy the time. Don't let the default length of the calendar influence the length of your meeting because people prefer shorter meetings to long ones.

- **Increase participation by posing the agenda as a series of questions.** The best meetings stimulate thinking and curiosity through interaction. Stiff, formal agendas promote one-way communication. Framing the agenda as questions helps focus attendees and promotes an action orientation. Instead of "Staff wellbeing", the item could be "How can we boost wellbeing for staff who work remotely?"

Digital Discovery

The aim of the Digital Discovery grant is to incentivise and support companies to develop a strategy for their digital transition.

This should encompass a review of existing systems, processes and capabilities and an exploration of new opportunities in an increasingly digital world. Grant support is

provided for external consultancy costs to help a company to develop a digital strategy, typically over an 8-to-12-week period. Key focus areas to be covered: **Skills assessment, culture of innovation, digital mind-set in the company. Process flow efficiency in the operations (Lean & Digital). Opportunities to deliver**

new value-added digital services or products. Use of digital systems to measure and reduce energy, emissions, and waste. Review of cyber-security strategy and processes.

Link: www.enterprise-ireland.com/en/Productivity/Digital-Innovation/Digital-Discovery/

Make good business decisions

We know that making good business decisions is easier to do when you have excellent information at your fingertips – and that's the value of having great reporting at the heart of your business.

Any cloud accounting software worth its salt will offer you straightforward ways to run your financial reports and track your important metrics. That's standard in the new digital world. And this level of reporting gives you real, tangible data on which to base your decision-making. But good decision-making isn't just about the numbers.

As well as having an effective understanding of your finances, you need a sense of what's good for the business, how decisions will impact on your growth and what your future path looks like. Here are some tips from us.

Run management information at least once a month

Modern cloud accounting software makes it easier than ever to run detailed, up-to-date reporting on your financial position. With the click of a button, you can run numerous in-depth reports and statements that show your past and future position. Doing this regularly gives you a wealth of financial information on which to base your decision-making and strategic thinking.

At each stage in your startup's growth, you'll have to make important decisions about your next step – so, it's important to think



about the financial implications of any new projects, the amount of cash in the business and the availability of new sources of funding.

Use metrics and projections to inform your decision-making

Setting up a custom dashboard to monitor the most important metrics and key performance indicators (KPIs) is definitely a good idea. Most accounting apps will let you tailor your dashboard, so you can pick and choose from KPIs that are most relevant to your startup.

Set clear and democratic targets for all of your main KPIs and track them on a weekly basis, so you're monitoring the financial heartbeat of the business. If cash flow is looking poor, look at freeing up some cash, or borrowing money to fill the gap.

If sales revenues are dropping, put some renewed vigour into your sales activity, or get a new marketing campaign underway to raise awareness of your most profitable products and services.

Talk to your board and executive team when scenario-planning

You may be the sole founder of your startup, or you may be part of a bigger team of co-founders. But the reality is that no one person can make all the decisions in a busy startup. To get the best overview of a challenge, or to come up with an effective way to grab a potential opportunity, you need to talk to your team – that's the only way to get an effective consensus.

Securing funding for your business

We know that the key enabler for success for many startups and small businesses is securing funding. Even with the growing support around the world for investing in entrepreneurs, many businesses still struggle with the preparation required when applying for funding.

Here are our top tips for successfully securing funding for your business.

- **Network** – get out there and build your network. This is invaluable not only to building the business but also in getting invaluable support and information from other businesses, including finding out how they went about raising finance.
- **Start your funding applications before you spend money** – It would be risky to embark on your startup idea and start spending money if you don't have a very clear understanding of how you will pay for things. It's particularly important not to take on any leases or contracts if you can't



commit to the full term of these.

- **Prove your business idea is viable** – work with us to prepare cash flows and forecasts in order to give both parties really crucial insights on how you will manage your growth plans – from how many staff you will need, to how you are going to reach anticipated sales targets.
- **Put your money where your mouth is** – Funding providers

are always looking for the applicant to be taking some of the financial risk themselves and it's important to have made a contribution to show your belief and commitment to the business.

- **Provide in depth detail in your application** – make sure you give potential investors all the information they need in order to invest.

Improving your digital skills

Google, Enterprise Ireland and the Local Enterprise Offices have announced a new partnership, with a focus on supporting Irish businesses to upskill digitally and enhance their online capabilities. Through the new 'You're the Business' digital platform, Irish SMEs will have

access to a series of live and on-demand training sessions, geared towards supporting companies at all stages of their digitalisation journey, including those at early stages right through to those more digitally-sophisticated businesses who are ready to export globally. The training

will consist of three modules that will help businesses understand how they can use digital to get online, grow online and expand internationally.

Link: www.g.co/yourethebusiness

Weighing up a big investment

Are you considering investing in a new way to make your business more productive or streamlined? We know that with a tight labour market, everyone's time is at a premium – so finding ways to maximise productivity has never been more important.

But it can take considerable funds to pay for a new website, eCommerce platform, software system or automation. Here are a few questions to ask yourself when you're weighing up the costs and potential benefits of a significant investment.

What are the upfront costs – and the ongoing expenses?

A website, for example, has a large upfront cost for the design, content creation and build. You might think that the costs are then over with, but it must be updated and maintained. You can do that in-house, in which case someone needs to be assigned to that work, or you can outsource it.

Always take into account the ongoing costs, because these are a vital consideration when you decide whether to make an important investment.

Which of your current costs will disappear?

Some of the costs you currently incur may vanish with a new system. It might be as simple as no longer paying the cost of an old subscription. Or it might be time saved that is spent manually entering data, processing payments,



or dealing with customer issues that arise from an outdated system.

Financial costs are relatively easy to add to the calculations. It's trickier with time, but try to put a value and quantity on what time might be saved if you can.

How will this change your costs in the long run?

Think about how your business will operate five years from now. Will this new investment allow you to increase your profitability without growing your team? Will you be able to spend more time finding outstanding high-value clients and less time on processes?

Any large investment should make your company run more smoothly, allow you to boost your output, and easily pay for itself.

When will this investment pay for itself?

Once you have all these numbers in hand, you can formulate some idea of when the investment will pay for itself. We can help you estimate a likely timeframe, and some best- and worst-case scenarios. You don't have to make big choices all on your own – let us help you analyse the costs and benefits to give you more confidence in your decisions.