



The value of an accountant



FORGET LOOKING FOR ACCOUNTING ADVICE ON ONLINE FORUMS. JOHN CORIAS EXPLAINS WHY HIRING AN ACCOUNTANT IS IMPORTANT FOR YOUR BUSINESS.

The internet is full of people seeking answers to the issues that trouble them, from people with illnesses looking to self-diagnose via Google right through to business owners seeking advice from potentially unknown and non-authenticated sources.

In a similar way, as small business accountants it is far too common for us to hear business owners talk about their mate at the pub who "pays no tax" or a friend of a friend who's found a magic solution to a particular issue.

The number of small business owners we see in online forums and on social media seeking answers to often extremely complex issues is quite alarming. Sometimes, they will get a good answer from someone who knows what they are talking about, such as qualified accountants that are social media savvy, but it can also be true that the advice they receive, and more often than not act on, has come from someone with no qualifications or first hand information of the enquirer's personal circumstances.

So many small business owners come to us with their affairs in various states of unravel due to not seeking out the advice of qualified advisers, whether it be accountants, solicitors or regulatory Government agencies and while a good business accountant will more often than not be able to get a viable business back on track and reduce the stress levels of poorly advised and disorganised business owners, the business owner would have certainly saved themselves a bucket load of anxiety and quite often a bucket load of cash too if they'd just decided from the very outset that they don't know everything and to outsource critical business advice.

Now that I've managed to vent some of my frustrations, let's examine exactly why you need an accountant as part of your small business team from the time you decide to start your very own small business.

TAX LAWS ARE NOT STATIC

Whether you're in Sydney, Melbourne or anywhere else in this great country, the nature of our tax laws is that they change as often as our country decides to change governments. In more than 25 years of servicing small businesses, no small business owner I've known has ever had the time to keep abreast of all the legislative changes in taxations laws as well as finding the time to actually run your business and keep your customers smiling.

All accountants agree that it's difficult enough for us to keep abreast of all the changes that impact on our clients businesses, so trying to do this on your own is just asking for trouble.

BUSINESSES EXPERIENCE CYCLES

The advice and consultations you may have received when establishing your business in the very beginning may no longer be relevant to your current situation. Businesses experience cycles, not just of the start-up, growth and retirement cycles, but more frequent and less predictable cycles impacted by sources from both within and external to the business. External influences such as seasonal factors can come and go without warning, changes in Governments can result in drastic changes to more than just tax laws and variations in market conditions, both nationwide and industry specific can, all bring a business to its knees without the proper planning and insights of regular professional advice.

BUSINESS OWNERS EXPERIENCE CYCLES TOO

You may have been young and single without any major financial responsibilities when you launched your small business, but this rarely stays the same. Major life events such as marriage, divorce and having children can all impact on not only your lifestyle and ability to commit to your business but also to the very goals you set out to achieve. These life events often create major changes in your finances and not preparing for them can lead to disaster.

One being the ability to impartially review your personal and business insurance policies to ensure your family is protected from adverse business matters, and even going as far as ensuring that your family matters don't impact on your business, especially when personal relationships go sour. Regular contact can cater for any scenario ahead of time.

THE TOOLS - THEY ARE A CHANGIN'

The rise of cloud computing applications such as Xero is revolutionising the way businesses are administratively managed and missing out on such opportunities can see small business owners continue to be bogged down in mountains of paperwork when solutions are at hand that can alleviate so much of the burden. Accountants are at the forefront of leading businesses down the path of cloud computing. Many

small businesses are already reaping the benefits; if you're not heading down this path, then you are almost certain to be left behind in the near future.

ACCOUNTANTS ARE HONEST... NO, REALLY!

The point to make here is that advice received from close friends and relatives can often be masked by them not wanting to hurt your feelings or risk a friendship by being brutally honest. By knowing the full picture of your business and personal finances, accountants are the one and only source of advice that can encapsulate the big picture and provide the real help you need to survive and thrive. The vast majority of accountants are held to the highest of professional standards by the professional associations and risk losing their memberships and even tax agents licences if they are caught out acting

unethically and not in the clients best interests... the same cannot be said for your mates at the pub.

The many small business owners that make comments about not being able to afford the services of an accountant are normally the ones that need it the most. A good accountant really isn't that expensive when compared to the risk of potentially losing your business, and as a result your personal assets. In fact, most accountants actually generate real net gains for many small businesses that are willing to take the time of making a genuine business investment by taking the time to listen and learn. **CR**

John Corias is a senior partner at m.a.s accountants, the original accounting office for small business with over 50 years in small business accounting. Visit www.masaccountants.com.au.

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