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Nurturing Successful Businesses

Beyond Bookkeeping: A ‘Roadmap’ for Growing ‘SMEs’!

Helping business owners recognise what ‘Good’ looks like at each stage of growth

Contents:

From Excitement to Overwhelm

Starting your own business is exciting. You get to shape your work, serve your clients in the way you want, and enjoy the flexibility and rewards of being your own boss.

Then reality hits!

Alongside the work you love comes an endless list of admin tasks — invoicing, paying suppliers, chasing customers for payment, payroll, VAT, tax returns, HMRC, Companies House… all while trying to grow your business.

The software companies make it sound easy: “Do all your bookkeeping in one click!”

The AI gurus tell us to just let agents do it! And other business owners may say they do it all themselves to save money.

But the truth is, as your business grows, the bookkeeping and finance side becomes more complicated — and mistakes or delays can quietly cost you far more than you realise.

The Common Questions We Hear

If you’ve ever thought:

- “I’m just sending invoices and checking the bank — But I don’t really know if I’m doing it right.”
- “My bookkeeper handles things… I think.”
- “Why pay for Bookkeeping support? When ………….I can do it myself.”
- “I’m not sure what I should be looking at in my accounts.”
- “How do I see if I am making a profit?”
- “How do I know how much tax I need to pay?”
- “How do I decide what to pay a new hire?”

…you’re not alone.

These are signs that there may be gaps in your finance structure, bookkeeping processes, or ability to understand how your business is performing.

Why We Created This Guide

It's easy to delay investing in your finance team until "later" — after sales, marketing, operations, even HR. But the right bookkeeping and finance support at the right time makes a huge difference to your ability to trade confidently, manage growth and make good decisions.

Our guide is designed to try to help you:

- See clearly where your business is in its lifecycle.
- Understand the finance and compliance priorities at each stage.
- Spot the gaps in your current finance setup.
- Know what you need to add, and when — whether that's software, processes, or people.

How to Use It

Work through the guide and compare your current finance team and structure to the recommendations for each stage. You'll see:

- The team and software tools best suited for your stage of growth
- The typical challenges businesses face along the way
- The results you should expect if your finance structure is working well

The aim is simple: to cut through the noise, give you clarity on where you stand, and help you decide what to put in place now — or plan for later — so your business is supported, resilient, and able to make the right decisions for whatever comes next.

Why This Matters

In the past, your accountant handled payroll, VAT, and tax returns, and occasionally offered advice. Today, the expectations are different and encompass much more advice, guidance, and strategic business advice.

However, to be able to deliver on any of these key advisory requirements, then the bookkeeping must be accurate and up to date.

THE SME GROWTH AND FINANCE 'PYRAMID'

BUSINESS LIFECYCLE	TYPICAL TURNOVER LEVELS	BUSINESS OWNER QUESTIONS
SCALING SME	£1.50M - £10.0M	How can I see what is happening in 3/6/9 months? How quickly can I get this information? How do I professionalise everything in the business? Can I increase profitability and get more time off? Can I sell this business?
LARGE SME	£750K - £1.50M	What does GOOD look like now? How do I make better decisions? How do I get all of the information that I need? Should I take this action or not?
GROWTH SME	£250K - £750K	What do I still need to do? What should I get someone else to do? What do I need to know? What does GOOD look like?
'START UPS' and EARLY STAGE SME	£0 - £250K	What do I need to do? How do I do it? Where do I start?

‘START UP’ AND EARLY STAGE SME

£0 – £250K TURNOVER

REALITY CHECK:

Most businesses at this stage are still finding their feet, so you do not need complex systems, detailed reporting, or a full finance team just yet.
What matters is having reliable foundations in place so you know your numbers, meet tax deadlines, and avoid creating problems that will slow you down later.

FINANCE REQUIREMENTS	TYPICAL FINANCE TEAM	BUSINESS OWNER CHALLENGES	BUSINESS REQUIREMENTS	EXPECTED/IDEAL OUTCOMES
COMPLIANCE • Bookkeeping • Payroll (1–5) • Pension (1–5) • VAT Returns • CIS Returns / P11Ds • Companies House • HMRC • Statutory Accounts **MANAGEMENT** • Supplier Payments • Customer Credit Control **SOFTWARE** • Xero / Quickbooks	• Part-time Bookkeeper • External Accountant	• Doing the bookkeeping work yourself • When/how to find the right qualified and experienced bookkeepers • Difficulty in knowing if the bookkeeper actually knows your software • Understanding what good or adequate is for your business bookkeeping • Getting the finance software setup and configured specifically for your business • Understanding enough about your software to use it correctly • Understanding the finance ‘Basics” such as a Profit + Loss, Balance Sheet, debtors and creditors, cashflow management • Dealing with the Tax Authorities • Lack of access to ‘bitesize’ advice, mentoring and guidance	• Payroll completed accurately and on time • Day-to-day bookkeeping updated (daily/weekly) • VAT returns submitted on time • VAT payments made on time • Companies House submissions made per deadlines • Suppliers paid up to date • Basic credit control to ensure customer payments made on time • End-of-year statutory accounts submitted per deadline • Clarity on business income, cost of sales + overheads in your software	• Up to date day to day bookkeeping (no backlog) • Minimal stress at (VAT quarters) end • Confidence in dealing with HMRC • Monthly access to basic numbers (sales, costs & overheads) • ‘Staying out of jail’ and no penalties with HMRC • Minimal or no requirement for business owner to be involved in bookkeeping • Completion of all VAT and tax compliance on time. • Employees and suppliers paid on time • Customers payments (mostly) received on time

MOST COMMONLY MISSED AT THIS STAGE:

Many business owners assume bookkeeping is simply recording transactions, but in reality, poor bookkeeping often means:

- Not knowing if you are actually making money
- Unexpected tax bills
- Cash flow surprises
- Spending hours trying to fix issues later

IF YOU ONLY DO ONE THING...

Focus on keeping your bookkeeping accurate and up to date.

START-UP & EARLY STAGE

How Strong Are Your Finance Foundations?

Most business owners start by doing everything themselves: sales, marketing, operations, bookkeeping, VAT, and payroll. That's perfectly normal. The question is whether this is helping your business — or ultimately holding you back.

The Questionnaire

Answer Yes, No, or Not Sure.

1. Knowing Your Numbers

- ◻ I know whether my business is making a profit.
- ◻ I know roughly how much tax I should be setting aside.
- ◻ I can explain the main costs in my business.
- ◻ I regularly review my sales, costs, and overheads.

2. Bookkeeping & Compliance

- ◻ My bookkeeping is fully up to date.
- ◻ VAT, payroll, and tax deadlines do not cause last-minute panic.
- ◻ I am confident my accounting software has been set up correctly.
- ◻ I know who is responsible for finance tasks and when they need to be completed.

3. Cash Flow

- ◻ I know how much cash is available in the business today.
- ◻ I know what customer invoices remain unpaid.
- ◻ I know what supplier bills still need to be paid.
- ◻ Cash flow surprises are rare.

4. Time & Confidence

- ◻ I spend very little time worrying about bookkeeping or compliance.
- ◻ I trust the numbers I receive.
- ◻ I feel confident making financial decisions in the business.
- ◻ I know what I should focus on improving next.

The Results

13–16 Yes Answers - **Strong Foundations**

The challenge is ensuring they continue to keep pace as the business grows.

8–12 Yes Answers - **Some Gaps Emerging**

The challenge is ensuring the gaps don't widen as the business grows.

0–7 Yes Answers - **Time to Act on the Foundations**

This doesn't mean your business is in trouble. But it usually means you've been focused on serving customers and growing revenue, while finance processes have been left to one side (more than is sensible).

Next Steps

Most finance related problems don't start because business owners ignore them. They start because nobody ever explained what "good" should look like at this stage.

If several of these questions made you stop and think, a short conversation could help you identify where the gaps are and what should be prioritised next.

Book a call for an initial discussion to identify your next step.

GROWTH SME

£250K - £750K TURNOVER

REALITY CHECK

This is often where a businesses begin to outgrow the systems and processes that got them to this point. If decisions are still being made based on bank balance, spreadsheets, or gut instinct, then finance may not be keeping pace with the business.

FINANCE REQUIREMENTS	TYPICAL FINANCE TEAM	BUSINESS OWNER CHALLENGES	BUSINESS REQUIREMENTS	EXPECTED/IDEAL OUTCOMES
COMPLIANCE • Bookkeeping • Payroll (5-10) • Pension (5-10) • VAT Returns • CIS Returns / P11Ds • Companies House • HMRC • Statutory Accounts **MANAGEMENT** • Supplier Payment runs • Customer Credit Control • Cashflow Forecasts • Management accounts (QTRLY) • SME Business Finance (on occasion) **SOFTWARE** • Xero / Quickbooks, DEXT, Expensify • CRM (Clio, Monday.com, Harvest, ClickUp) • Sales/Marketing (Mailchimp)	• Bookkeeper(s) • Part-time Finance Manager • External Accountant	• As per Early stage SME PLUS - • Knowing what financial figures you need or should have in order to make good decisions. • Understand and manage foreign currency • Lack of freedom from basic bookkeeping e.g., sending sales invoices, etc • Lack of consistency in bookkeeping work • Lack of formal management accounts and routine meetings for business review • Cashflow concerns • Poor use of business software to manage business growth.	• As per Early stage SME PLUS - • Routine payroll completed • Day-to-day bookkeeping updated (weekly) • Monthly supplier payment runs • Effective credit control process • Efficient Month-end close (and 'tidy up') • 13 week Cashflow forecast (weekly or monthly) • Relationship with Bank/finance providers • Formal management accounts (pack and board meeting)	• As per early stage PLUS - • Simple, Good Decision making • Suppliers paid and great ongoing relationships • Customers paying on time or being proactively managed • Minimal or no requirement for business owner to be involved in bookkeeping • Minimising Ad hoc supplier payments

MOST COMMONLY MISSED AT THIS STAGE:

Many businesses have accounting software, bookkeeping support, and an accountant. What they often do not have is for better decision making.

- Meaningful management information
- Reliable cash flow forecasts
- Regular business performance reviews

IF YOU ONLY DO ONE THING...

Have visibility over cash flow over the next 90 days.

DOWNLOAD - BOOKKEEPING 101

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GROWTH SME

Is Your Finance Team Keeping Up With Your Business?

As businesses grow, most owners spend less time worrying about survival and more time worrying about decisions.

Can we afford another hire? Should we take on larger premises? Are we actually making money from all of our clients?

The Questionnaire

Answer Yes, No, or Not Sure.

1. Visibility & Decision-Making

- ◻ I know how profitable the business is.
- ◻ I know which clients, products, or services generate the best margins.
- ◻ I can make investment or hiring decisions with confidence.
- ◻ I receive financial information quickly enough to influence decisions.

2. Cash Flow & Financial Control

- ◻ I know what cash is likely to be available over the next 3 months.
- ◻ Unexpected cash flow pressures are uncommon.
- ◻ Customer debts are actively monitored and managed.
- ◻ Supplier payments are planned rather than reactive.

3. Systems & Processes

- ◻ Our bookkeeping is consistently up to date.
- ◻ We have a routine month-end process.
- ◻ Our finance systems save time rather than create work.
- ◻ Key business information is not dependent on one person.

4. Owner Freedom & Business Resilience

- ◻ I am no longer heavily involved in day-to-day finance administration.
- ◻ The business can operate effectively when I am away.
- ◻ We review business performance regularly using meaningful numbers.

The Results

13–15 Yes Answers - **Strong Platform for Growth**
The focus now is ensuring your systems, reporting, and decision-making continue to evolve as the business grows.

8–12 Yes Answers - **Growing, But With Some Friction**
This is where many SME businesses sit. Where the business is progressing, but there are likely to be weaknesses in visibility, reporting, delegation, or cash flow management. Addressing these gaps now is often significantly easier than trying to fix them at a later stage.

0–7 Yes Answers - **Growth May Be Outpacing Your Finance Function**
Many businesses reach this point because sales and operations have been the priority. The risk is not usually compliance. The real risk is making important decisions without reliable information, clear processes, or sufficient financial visibility. The earlier these issues are addressed, the easier future growth becomes.

Next Steps

Most businesses do not struggle because they lack ambition.

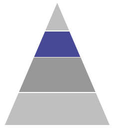
They struggle because the systems, processes, and information needed to support growth have not kept pace with the business itself.

If several of these questions gave you pause for thought, it may be worth taking a step back and assessing whether your finance function is providing the visibility, control, and confidence needed for the next stage of growth.

Book a call for an initial discussion to identify your next step.

LARGE SME

£750K - £1.5M TURNOVER



REALITY CHECK

By this stage, most businesses have solved the compliance challenge. So the question is no longer: "Are the numbers being produced?"
The question is: "Are the numbers helping us improve performance and make better decisions?"

FINANCE REQUIREMENTS	TYPICAL FINANCE TEAM	BUSINESS OWNER CHALLENGES	BUSINESS REQUIREMENTS	EXPECTED/IDEAL OUTCOMES
COMPLIANCE • Bookkeeping • Payroll (10-25) • Pension (10-25) • VAT Returns • CIS Returns / P11Ds • Companies House • HMRC • Statutory Accounts **MANAGEMENT** • Supplier Payments runs • Customer Credit Control • Cashflow Forecasts • Management Accounts (monthly) • Annual budget • KPIs (Financial + Non- **SOFTWARE** • Xero / Quickbooks, DEXT, Expensify, Float, Approvalmax, Telleroo • CRM (Cllio, Harvest, other sector specific) • Sales / Marketing (Hubspot, mailchimp)	• Bookkeeper(s) • Finance Manager • Fractional CFO/FD • External Accountant	• As per Growth stage SME PLUS - • Understand and manage foreign currency • Necessity to automate more processes • Ad hoc Commercial projects • Identification of KPIs for different parts of business • Improvement of Risk Management • Lack of strategy to grow personal wealth • Development of management team • Lack of strategic decision making	• As per Growth Stage PLUS - • Simple year-end close • Due diligence projects • Pricing/margin reviews • Cost management • Finance Projects (systems) • Overseas expansion • New product launches / licensing of regulated business • Close review + Analysis of KPIs • Resilience + Risk Management • Strategic advice / guidance	• As per growth stage PLUS - • Daily or weekly KPI reviews • Weekly team meeting • Monthly management accounts/board meetings • Evaluation of commercial growth projects

MOST COMMONLY MISSED AT THIS STAGE:

Many successful businesses continue to operate without:

- Meaningful KPIs
- Regular profitability reviews
- Budget versus actual reporting
- Clear accountability for performance

IF YOU ONLY DO ONE THING...

Use your numbers to drive decisions rather than simply record results.

LARGE SME

Is Your Finance Team Helping You Lead the Business?

At this stage, most businesses have moved beyond basic bookkeeping and compliance.
The challenge is no longer producing numbers. The challenge is using those numbers to make better decisions, improve performance, manage risk, and create a resilient business - much less reliant on the owner or founder!

The Questionnaire

Answer Yes, No, or Not Sure.

1. Performance & Profitability

- ☐ We understand which areas of the business are most profitable.
- ☐ We regularly review margins, pricing, and costs.
- ☐ We can clearly identify where profitability is improving or declining.
- ☐ Key decisions are supported by financial analysis rather than instinct alone.

2. Planning & Control

- ☐ We operate with an annual budget.
- ☐ We compare actual performance against the budget throughout the year.
- ☐ Cash flow forecasting is part of routine decision-making.
- ☐ We can evaluate the financial impact and viability of major decisions before committing to them.

3. Management Information

- ☐ Management accounts are produced regularly and reviewed promptly.
- ☐ We have a number of meaningful KPIs that support and drive decision-making.
- ☐ Financial information is easy to understand and trusted by the leadership team.
- ☐ Meetings focus on actions and decisions rather than focused on explaining the numbers.

4. Leadership & Resilience

- ☐ The business is not heavily dependent on one individual.
- ☐ Key responsibilities are delegated appropriately across the management team.
- ☐ We actively identify and manage operational or financial risks.
- ☐ We have sufficient financial visibility to support future growth plans.

The Results

13–16 Yes Answers - **Strong Operational Control**
The focus now is on strengthening leadership, improving scalability, and preparing the business for larger strategic opportunities.

8–12 Yes Answers - **Growing Well, But Opportunities Are Being Missed**
This is where many successful SMEs operate. Addressing these gaps can often unlock significant profitability without requiring substantial growth in turnover.

0–7 Yes Answers - **The Business May Be Larger Than Its Finance Function**

Many businesses at this stage have outgrown the systems, reporting, and management structures that supported earlier growth with slower decisions, hidden inefficiencies, reduced profitability, and greater dependence on key individuals.

Next Steps

Businesses rarely reach this stage through luck. The challenge now is ensuring that growth is supported by the right processes, information, and leadership.

Many owners discover that the systems which helped them reach £1m turnover are not the same systems required to reach the next stage successfully.

If several of these questions highlighted areas of uncertainty, now may be the right time to assess whether your finance function is helping you manage the business — or helping you improve it.

Book a call for an initial discussion to identify your next step.

SCALING SME

£1.5M - £10.0M TURNOVER

REALITY CHECK

At this stage, growth alone is no longer the goal. The focus becomes building a business that is resilient, scalable, and less dependent on the owner.

FINANCE REQUIREMENTS	TYPICAL FINANCE TEAM	BUSINESS OWNER CHALLENGES	BUSINESS REQUIREMENTS	EXPECTED/IDEAL OUTCOMES
COMPLIANCE • Bookkeeping • Payroll (10-25) • Pension (10-25) • VAT Returns • CIS Returns / P11Ds / PSAs • Companies House • HMRC Statutory Accounts **MANAGEMENT** • Supplier Payments runs • Customer Credit Control • SME Business Finance • Cashflow Forecast • Management accounts (Monthly) • Annual Budget • KPIs (Financial and non financial) **SOFTWARE** • Xero/Quickbooks, DEXT, Expensify, Float, Approvalmax, Telleroo • CRM (Cllio, Harvest, Other) • Sales / Marketing (Hubspot, mailchimp)	• Bookkeeper(s) • Finance Manager(s) • Financial Controller • (Fractional) CFO/FD • External Accountant / Auditor	• As per Large SME PLUS - • Development of management team • International expansion • Product launches • Consideration of exit planning options • Review of external finance for growth expansion	• As per Large SME PLUS - • Simple year-end close • Due diligence projects • Pricing/margin reviews • Cost management • Finance Projects (systems) • Overseas expansion • New product launches / licensing of regulated business • Close review + Analysis of KPIs • Resilience + Risk Management • Strategic advice / guidance	• As per Large SME PLUS - • Profesionalising of SME, eg., CCO, CFO, CRO, CMO • Ability to successfully evaluate and acquire new targets • Preparation for initial data for Exit Ready purposes • Ability to use KPIs across SME to drive and manage performance

MOST COMMONLY MISSED AT THIS STAGE:

Many owners assume exit planning starts when they are ready to sell. In reality, the businesses that achieve the best outcomes usually spend years improving:

- Leadership teams
- Systems and processes
- Financial visibility
- Risk management
- Owner independence

Long before a sale is ever discussed.

IF YOU ONLY DO ONE THING...

Reduce the business's dependence on you.

TAKE THE EXIT READY SCORECARD

SCALING SME

Are You Building a Bigger Business — or a More Valuable One?

Many businesses reach this stage through years of hard work, strong client relationships, and consistent growth. The challenge now is different. The focus shifts from running the business to building a business that can continue to grow, attract investment, support acquisition opportunities, or ultimately be sold.

The Questionnaire

Answer Yes, No, or Not Sure.

1. Leadership & Scalability

- ◻ The business can operate effectively without the owner/founder's day-to-day involvement.
- ◻ Key decisions are shared across a capable management team.
- ◻ Roles and responsibilities are clearly defined across the business.
- ◻ Future growth is not dependent on one or two key individuals.

2. Performance & Strategic Decision-Making

- ◻ We have meaningful KPIs that are actively used to drive performance.
- ◻ Major decisions are supported by robust financial analysis.
- ◻ We regularly review profitability by client, service, product, or division.
- ◻ We have clear visibility over the drivers of growth and profitability each year.

3. Financial Control & Planning

- ◻ We operate with an annual budget and forward-looking forecasts.
- ◻ Management accounts are timely, accurate, and regularly reviewed.
- ◻ We can assess the financial impact of new opportunities before committing resources.
- ◻ Cash flow and funding requirements are planned well in advance.

4. Business Value & Future Options

- ◻ We have considered what makes the business attractive to a future buyer or investor.
- ◻ We understand the risks that could reduce the value of the business.
- ◻ We are actively reducing dependence on the owner.
- ◻ We know what improvements would most increase the value of the business over the next 2–5 years.

The Results

13–16 Yes Answers - **Building a Valuable Business**
The focus now is on refining performance, strengthening leadership, and maximising future strategic options.

8–12 Yes Answers - **Successful Business, Untapped Potential**
Many businesses at this stage are performing well but have not yet fully transitioned from owner-led growth to business-led growth.

0–7 Yes Answers -**Growth Has Outpaced Structure**
This is more common than many owners realise. Businesses often continue to grow while becoming increasingly dependent on key individuals, informal processes, and reactive decision-making.

Next Steps

Many business owners spend years building successful businesses. Far fewer spend time preparing those businesses to operate, grow, or eventually be sold without them.

If several of these questions highlighted areas of uncertainty, it may be time to assess whether your finance function is helping you run the business today — and helping you build value for tomorrow.

Book a call for an initial discussion to identify your next step.

THE NEXT STEP

Let’s move your business forward—together.

Whether you're navigating complex financial decisions, planning for growth, or simply need clarity on your numbers, our team is here to support you with expert advice and reliable solutions.

If you’re ready to take action:

- Connect with me on LinkedIn – Let’s stay in touch and share insights.
- Book a consultation – Schedule a one-on-one call to discuss how we can support your goals.
- Download our free guides – Access practical tools and resources to help you make informed financial decisions.

We’re committed to helping businesses like yours thrive with confidence and clarity.

I look forward to partnering with you.

Damian Connolly FCCA
Managing Director

Book a call

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