

Catalyst

A magazine of the Greater Indianapolis Chamber of Commerce

Winter 2009-2010

Visibility Into Your Finances Will Drive Better Business Decisions

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While many organizations are fastidious about receivables and payables, their executives don't always have the full picture of the company's financial

health. This lack of visibility into "the books" leaves business leaders vulnerable. The more you and your management team know about the state of your organization's finances, the better you'll be able to make strategic business decisions and capitalize on opportunities.

Many executives use a balance sheet to guide their financial decisions. Because the balance sheet is merely a snapshot in time of assets and liabilities, it, alone, does not offer the level of detail or historic perspective necessary to gauge the business' long-term financial health. By pairing a balance sheet with a strategically-developed chart of accounts and P&L

statement, business leaders gain more visibility into the holistic performance and potential of the organization.

Why are these financial tools important to your business? Clean, accurate data and regularly generated reports enable you to make strategic business decisions and take advantage of market opportunities. For instance, knowledge and understanding of your business' financial health give you confidence as you evaluate investment, acquisition, expansion and hiring opportunities. Armed with the proper information, you'll know what you can afford, your level of exposure and your probability of success based on historic trends and data-based projections.

The state of your finances and the accuracy of your records can either be an asset or a liability as you pursue capital or new business opportunities. For instance, if you are applying for a line of credit or loan, you'll need to prove



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your business is on solid financial footing. Many large customers will require your financials as part of their due diligence process. Can you quickly and efficiently provide the historic data and reports that enterprise corporations, government entities or companies in regulated industries may require? If not, you may miss out on some lucrative deals.

Another benefit of well-maintained financial records is the business intelligence the data produces. The more you understand about how your business makes money and where it spends it, the better equipped you are to increase profits and drive down costs. The data will help you identify waste and bad investments as well as prioritize where you

should spend your money. Leverage the information to reinforce the good decisions you've already made and to feel confident about allocating resources for future expenses.

Don't wait until your business is losing money, trying to acquire capital or respond to a stringent RFP to gain control and visibility into your finances. By that point, it may be too late. Managing your finances and tracking the overall financial health of your business is a daily, monthly, quarterly and annual strategic exercise that brings your organization value everyday.

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About Sponsel CPA Group

Sponsel CPA Group is one of Indianapolis' top full service accounting/CPA firms. It is comprised of Indiana's best business advisors, financial planners, certified public accountants (CPAs), forensic accountants and bookkeepers. Sponsel CPA Group offers auditing/assurance services; tax strategy, planning, consulting and preparation; strategic financial and business consulting; financial planning and wealth management; litigation, business valuation and appraisal services; merger and acquisition consulting and facilitation; succession planning and bookkeeping services. The firm specializes in middle market companies. Sponsel CPA Group serves the entire state of Indiana with relationships in Indianapolis, Fishers, Geist, Carmel, Zionsville, Castleton, Greenwood, Noblesville, Fort Wayne, Muncie, Bloomington, Lafayette, Columbus, Evansville, Terre Haute and Richmond. For more information, please visit www.SponselCPAGroup.com or call (317) 608-6699



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