



Financial Audit Checklist

Now is the time to play both offensive and defensive.

History has shown that those leaders that best navigated through a crisis did both but erred more on the offensive.

They got their house in order now to make the best of the current times and then set up a foundation for massive success when the inevitable boom came , and it always comes.

Offensively they worked 'smarter' to develop brand recognition, reputation and to referrals.

Defensively they got out the red pen.

They made the rather painful list of every unnecessary expense and cut it and cut it deep and fast.

An immediate list to review is:

- Research
- Non-core program development
- Unessential training, pay rises & bonuses
- Any under-performing people, processes, platforms or programs.

That said, what they didn't cut was proven promotions and client retention strategies. In fact, these they effectively increased.

They kept poised for an uncertain future. With leaner overhead, more focused promotional activities and they stayed close to the market and adapted products, services and processes to provide what best resonated.

And when they pushed through and made those changes, they didn't fall out of that mindset.

You need to do the same, so now please review this checklist and get underway.

- √ Remember the 'The Universal Law of Rhythm' - everything flows, in and out, up and down. Life works in cycles. Being aware of this means being prepared.
- √ In terms of their management of money research has proven the one characteristic of millionaires in that they are 'frugal'.
- √ Defined that means being economical in the use or expenditure of money and resources ... being prudent, saving or sparing ... not being wasteful.

Create a budget for yourself, and your business.

- √ If you have an accountant, financial advisor or good bookkeeper or all of them, which by the way every leader should have, then engage one or all of them and get this underway.
- √ Within reason tighten your expenditure on everything, and make sure you set up a simple dashboard to track your expenditure regularly.
- √ Your accountant can do this, or there's plenty of 'off the shelf' budgeting apps that can help you track your personal and business income and expenses to avoid overspending.
- √ Remember to include how much you plan to save each month in your budget if there's still cashflow.
- √ Make this an automatic deposit so you don't have to think about it.
- √ Do the same for your superannuation, money market account and so on.

Create an emergency fund, or line of credit.

- √ Check how long you've got without any income - plan your budget around this and make it stretch as far as possible ... ideally 3-6 months.
- √ You need to buy time to go through the rest of this program to create income opportunities and get the cash flowing again.

- √ If you're not in good shape right now, then start to arrange a line of credit at the lowest interest rate possible. Engage your accountant to explore opportunities.

Manage your debt.

- √ Servicing your various debts needs your attention right now.
- √ Take stock of all this and what interest rates you are paying on each.
- √ Look to reduce the interest rates by refinancing and perhaps deferring payments until you get your cashflow sorted.
- √ You can also choose to consolidate the debt all in the one place with a low bearing interest rate.
- √ Either way I suggest getting together with your accountant now, undertaking a complete review and renegotiating everything.

Establish your financial goals.

- √ The best method to do this is with financial forecasting.
- √ Again, get together with your accountant and set this up catering for your short, medium and long terms goals.