



Dear Client

Please find enclosed our BVSA for September 2017.

The content of this newsletter has been compiled especially for you and we hope you will enjoy this publication and find it informative.

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If you have any queries or you would like more information, please contact us by sending an email to info@bvsa.ltd.

Kind regards,

The BVSA Management Team



Take an active interest in your business

You may rely on an accountant and/or bookkeeper to prepare your monthly management accounting and financial statements, but do you read the reports and take note of what these reports are telling you? Do you ensure that the information you provide your accountant and/or bookkeeper with is accurate and complete, for them to produce a reliable set of reports?

Financial reports are crucial for tracking the financial health of your business and an invaluable tool for setting goals, making important and sound business decisions and obtaining finance. With your knowledge as the owner of your business, together with a bit of interest and training, only you can ensure that your financial statements are meaningful, up to date and accurate.

Trying to run a business without good financial reports is like trying to play a game of sport without knowing the information like the score, time remaining, etc. Regardless of how well you have been coached, it is impossible to play effectively in these conditions and yet, in our experience, many small business owners are trying to run their businesses in this fashion. Therefore, their financial statements are irrelevant because of inaccuracy, incompleteness and overdue timeframes for preparation. These financial statements are not useful for decision-making and for owners who are dependent on their small businesses for a consistent source of income, this is not an acceptable state to be in.

It is an absolute requirement to have accurate and up to date financial statements in order to run a successful business. We suggest the following tips to upgrade your financial reporting process:

1. Accurate and complete information: Ensure that you keep proper record of all costs directly associated with your business and track those expenses monthly. If an expense fluctuates significantly, it could be a red flag indicating a problem. No business can thrive if it doesn't record its earnings and expenditure.



2. **Correct systems:** You should have systems in place which accurately control and record all transactions done via bank accounts, cash transactions and "on-credit" transactions (i.e. debtors & creditors). Ensure that you have supporting documentation for each transaction filed in an orderly fashion.
3. **Separate business & personal finances:** You are supposed to keep your business separate from your personal life as far as possible - if not completely. Funding personal expenses from business savings and vice versa could be disastrous for your business and/or your personal financial stability. You should ensure that you remain within business and personal budgets. Should a personal transaction be among your business records, ensure that your accountant and/or bookkeeper can easily distinguish between the two in order to provide accurate reports.
4. **Have cash reserves and curb unnecessary spending:** Not all your financial plans will be solved by means of loans. Banks have very stringent loan requirements for small businesses making it difficult to obtain a loan. Budget to raise cash reserves and stay within this budget endeavouring to save money. No business needs luxury items that cannot be afforded. Manage your business expenses by comparing them to your monthly budget and taking corrective steps where you are exceeding this budget.

5. **Accountability:** For every line in your financial statements there should be only one person accountable. You should ensure that sufficient controlling actions are in place to hold employees accountable, especially for cash transactions and where they have access to bank accounts and permission to pass journals.
6. **Deadlines:** Insist on receiving your financial reports by a certain date. Set a specific closing date for the end of each month and ensure that you get all significant information to your accountant and/or bookkeeper timeously for them to meet your deadlines. Insist on your financial statements to be accurate, received on schedule and presented in a way useful for decision-making. Anything less than this diminishes your ability to make effective decisions and can cripple your business.

Ultimately your accountant and/or bookkeeper can only produce financial statements according to the accuracy of the provided information. The reports of your businesses are your responsibility and yours alone. Your accountant and/or bookkeeper are only playing a supportive role in assisting the process of preparation of your financial statements and to guide you in the successful running of your business.

Contact your nearest BVSA branch should you need assistance in setting up a system or improving your current system and getting reports that will work for your business.

Article by Mandy Roesstorff



The importance of regularly reviewing your personal short-term insurance

An essential part of a short-term broker's duties is the regular review of his clients' short-term insurance portfolios to ensure that their policies still meet their insurance needs and that their personal details are correct.

The term of a short-term insurance policy is a period of twelve months or less, and therefore any policy contract includes an annual renewal/review date. An opportunity is thus created for the company to state its terms under which it is prepared to accept the insurance for another term, after reassessing and checking whether the coverage it enjoys, is sufficient.

Important aspects that may be reviewed annually during the review of a policy include:

- The calculation of replacement value of the house contents and buildings. Inflation and new purchases/additions cause these amounts to increase over time. The insurer will then be able to automatically adjust insured amounts upwardly. However, the onus remains on the client to ensure that his insured amounts are sufficient.
- Determination of insured vehicles' market values. These amounts usually fall within a twelve-month insurance period and it rests with the insured party to adjust the insured amount of a vehicle accordingly to its reasonable market value.
- Depending on claims or no claims made during the past insurance year, the bonus benefits and the premium discounts may be affected.



At Boshoff Visser Consult (Pty) Ltd. it is extremely important that customers enjoy peace of mind regarding their short-term insurance. Therefore, we put in every effort to revise each renewal schedule with him / her and give advice accordingly. Our offices have knowledgeable, experienced and well-qualified staff members who strive to meet all the necessary legal requirements in assisting our clients.

Article by Bert Kleinhans - Short Term Insurance



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SEO - An inconvenient truth

Search Engine Optimisation (SEO) is the activity of increasing visibility of a website by improving search engine rankings. Traffic should be directed to websites trying to obtain high-ranking placements in the results of search engines, such as Google and Yahoo. This only includes unpaid results.

Despite the buzz in the industry about search rankings, there has been a phenomenal shift in how Google ranks a website on their search results. For most this has caused immense frustration, whilst for others who have seen the proverbial light, it has provided endless opportunities and benefits.

Firstly, let us look at the basic, exact functioning of SEO. All efforts can be classified as either internal or external SEO. Internal SEO is when you develop your website using proven practices to rank high on search results. External SEO is when your articles, press releases, blogs and content are published on third party websites or platforms with embedded keywords or 'backlinks' to your website. This may also include links to your website from social media platforms.

Traditionally the online marketing industry has also categorised the multitude of possible actions within these efforts as either 'white hat' or 'black hat'. The latter is the more villainous practice of manipulating the system to raise rankings. In truth, both efforts are doing this, however 'white hat' is being subtler about it.

In order to understand the concept of SEO better, one should realise that if a search engine doesn't provide their users with relevant and actual results for their search keywords, both the search engine and the SEO specialist are not doing their jobs. Even the word SEO means to 'game' the system to get your valuable content ranked higher than it would if left over to the natural ranking system of search engines alone.

Search engines seem to believe that if your content is promoted through social media, it is more suggestive of relevant content, and therefore less likely to be fake. The unfortunate truth is that even social media can be faked to some extent.



Google knows this and they are making the necessary efforts to provide better search results for their audience by routing out these counterfeits.

The best type of external SEO effort that one can apply is simply the following: write, design, record or make videos with real and relevant content to value the community. Consider real social media community support, compelling public relations and real content, for these are the factors true SEO practitioners are turning to. Grow your internal thoughts-leaders towards adding value to your audience and position them in the market. Create pages primarily for users and not for search engines. Spend enough time in creating compelling products for people wanting to talk about and sharing it.

Your primary objective should be better content, not higher rankings. Second to this, your internal SEO practices should also be aligned to ensure that your content is found and sees the light of day.

In summary, content is king and communities of avid followers crowners of the king. Sadly, this is common sense, but not customary practice in the industry.

Article by BVSA Communication

BVSA Communication is a division of the BVSA Group. We plan and implement communication assignments for the group, as well as our clients, and support them with professional communication activities in their pursuit of maintaining and growing a successful business in a cost-effective and co-operative manner.

For more information, please visit:
comm.bvsa.ltd