

GROWING, SELLING & RISK

When Your Business Outgrows Its Systems

The warning signs that spreadsheets, habits and one-person processes have stopped working, and a practical order for putting stronger foundations in.

FOR: GROWING BUSINESSES • SOME TO EXPERIENCED

Growth exposes the cracks

The way a business runs at five people is rarely the way it can run at fifteen. The spreadsheet that tracked everything, the owner who approved every payment, the filing system that lived in one person's head: these work until they do not. Typically the failure arrives as a series of small problems that are hard to connect: late invoices, a customer who was never billed, a cost overrun nobody saw, a tax bill nobody expected. Spotting the pattern early saves a great deal of money and stress.

Warning signs

- **Reports arrive too late to act on.** You learn how the month went after the next one has started.
- **Different people give different numbers** for the same thing.
- **You are the bottleneck.** Nothing is paid, hired or approved without you.
- **Month-end gets longer**, not shorter.
- **Cash surprises you**, even when sales are up.
- **Errors keep recurring**, such as duplicate invoices or missed costs.
- **Systems do not talk to each other**, so people re-key data.
- **You cannot say who is responsible** for each recurring task.
- **Lenders or investors ask for information** you cannot produce quickly.

What good looks like

A business with sound foundations has one version of the numbers, produced regularly, that everyone trusts. It has clear roles for who records, who approves and who pays. Its software is connected and its processes are written down. And its owner spends time on decisions, not on chasing data.

Who this is for

- Owners whose business has doubled in size
- Finance leads who inherited a spreadsheet
- Anyone preparing for investment or a sale

Key points

- Fix the numbers first, then the process.
- Separate who records from who approves.
- Connect systems instead of re-keying.
- Document what you do. Do not rely on memory.
- Build for the business you will be, not the one you are.

A practical order of work

1. **Map what happens today.** From enquiry to cash received: who does what, in which system.
2. **Find the pain points.** Where are the delays, the errors, the rework?
3. **Fix the accounting foundation.** Cloud accounting, bank feeds, a clean chart of accounts, and a monthly close with a fixed timetable.
4. **Set controls.** Approval limits, a second signature on payments, regular reconciliations, and an audit trail.
5. **Connect the other systems.** Sales, stock, payroll, expenses and projects, feeding the accounts without re-keying.
6. **Define reports.** A small set of figures reviewed on a fixed day each month.
7. **Write down the processes,** so that any trained person can follow them.
8. **Train and review.** Check each quarter that the system is being followed, and fix what is not.

Quick health check

- Monthly close within days?
- One set of trusted numbers?
- Approvals separate from recording?
- Systems connected?
- Processes documented?
- Reports reviewed monthly?

People and roles

At some point, the owner cannot do the finance function alone. The options are a part-time finance manager, a bookkeeper plus an outsourced accountant, or a part-time finance director. Each has a cost, and the right answer depends on size, complexity and the decisions you need support with. Our guide on the virtual finance director describes one option.

The cost of change

Better systems cost time and money to put in, and the transition is a period of extra work. It is almost always cheaper than the cost of staying put, particularly when you add lost time, errors, lender questions and missed opportunities. Do it in stages, and start with the part that hurts most.

Do not wait for a crisis

The best time to upgrade systems is when the business is healthy and has time to learn them. Waiting for a problem forces rushed choices.

Related guides

If this is useful, you may also want:

- Cloud accounting software
- Management reporting
- Virtual finance director

How King Street can help

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We review how your finance function works, recommend practical improvements in order of priority, set up the systems and controls, and provide finance support at the level you need, from regular reviews to a part-time finance director.

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