

## Modern Financial Operations for Small Businesses

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Small businesses solve daily challenges, including business growth, changing regulations, a tightening labor pool environment and rapidly evolving customer preferences. Before long, the day is done and they are often left playing catch-up with vendor bills to pay, customer invoices to issue and accounting reports to prepare for their lenders, investors and government bodies. Some have a reliable bookkeeper or team of accountants to depend on for keeping current with these requirements, but many are finding themselves unable to retain or attract dependable, knowledgeable and cost-effective resources to manage this constant flow of accounting information. Regardless of the current state of financial operations (FinOps), there are a few best practices to be mindful of.

### Organize Financial Data

First, remain vigilant about the hygiene of your financial data. Record and reconcile your financial transactions in your accounting system, at least monthly. You run the risk of forgetting to invoice a customer, or duplicating a vendor payment, or creating other cash flow and recordkeeping issues if you do not. You can start by:

- setting up or simplifying your “chart of accounts” (i.e., the list of accounts used to track your business activity in your accounting system),
- creating a set of simple one-page procedures for key business processes (e.g., order-to-cash, including customer invoicing and collections; procure-to-pay, including vendor management and bill pay) and
- dividing key accounting duties among trained and trusted team members following the “prepare,” “review,” “approve” workflow.

Once your data is routinely captured and categorized, you will be ready for most cash flow, accounting and reporting questions or requests. You may already have a set of daily, weekly, or monthly to-dos and routines. Consider adding these few additional ones for accounting activities to foster business-health.

### Cost Effectiveness of Financial Operations

Second, assess how cost-effective your FinOps is. Your accounting work may be burdened with outdated, manual, or unnecessary tasks and it may be time for a refresh to some or all of it.

Modernizing your accounting could:

- invigorate information circulation,
- reduce waste and cost for your business,
- improve accounting work experience for your team,
- reduce turnover in foundational finance positions and
- save your business money in avoidable headhunter, new hire ramp and separation costs.

### Financial Technology and Team

Third, consider fine-tuning your finance function with tailored technology and team solutions. With several readily available options in a mature marketplace of accounting and enterprise resource planning (ERP) software, you can easily find the right fit for your organization.

Whether choosing a cloud-based accounting ledger, stackable with as-needed add-on “apps” (e.g. Xero®), a mainstay accounting tool (e.g. QuickBooks Online®), or a more mature ERP solution capable of staying with you from seed funding through an initial public offering (e.g. Sage Intacct®), there are options for a small business of every size and stage.

Similarly, needs for adequately trained finance team members may be accomplished through investing in upskilling your existing team through function-specific training, or aligning with outsourced accounting and finance groups, or some combination of both. Doing so, will instill confidence in business stakeholders and help the business operator remain focused on strategy and tactics, while building a modern and scalable finance operations environment.

## Contact Us

To begin a conversation about modernizing your financial operations, reach out to either of the following:

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