

# Call in for a Coffee



## **In this edition**

**Top eleven reasons why you should talk to your accountant NOW, Measuring business performance with KPI's & Finding your competitive edge**

## Introduction

Welcome to RSM's fifth 2010 edition of Call in for a Coffee. This edition features three articles prepared by our RSM New Zealand counterpart firm RSM Prince on the top eleven reasons why you should talk to your accountant NOW, measuring business performance with KPI's and finding your competitive edge.

## Top eleven reasons why you should talk to your accountant NOW

- To identify strengths and weaknesses in your business.
- To analyse the financial impact of decisions before making them.
- To get a health check of current and future financial position.
- To look for ways to improve cash flow and bottom line profitability.
- To predict possible tax liabilities before the end of the financial year.
- To plot the future direction of your business in a manner that can be effectively monitored.
- To create projections, discovering solutions and averting possible disasters.
- To determine whether the next \$100 of sales have a positive or negative cash flow effect.
- To improve your financial literacy skills and help you to make better business decisions.
- To understand how accountants, banks and other businesses measure performance.
- See your accountant for advice, tips and ideas on how to go forward.

## Measuring business performance with KPI's

These days you need more than a set of financials to accurately measure business performance.

Today business owners and financiers are demanding more effective performance measuring systems that will not only enhance their performance levels, but also give them that all important competitive edge.

The traditional statement of financial performance, statement of assets and liabilities, and so on, is great for providing the financial information.

But what they don't do is link operational performance to the business's strategic objectives. Performance needs to be judged against objective criteria.

This is where KPI's come in - Key Performance Indicators. KPI's are those critical measures which ultimately determine profitability and shareholder value.

KPI's are essentially a method of measuring business objectives against performance.

They tell businesses, amongst other things:

- How well they provide services
- How long they take to process customer requests
- Their product delivery performance
- How much time they spend fixing mistakes.

Investors are demanding to know that management strategies are creating value and business people need the appropriate tools to accurately measure performance in the critical areas of profitability and return on net assets.

The financials alone are not enough to effectively manage businesses that are seeking to survive and add shareholder and owner value.

KPI's are a way to broaden what businesses measure.

Most small businesses would benefit from improving performance measurement standards, and while there are different views on how this should be achieved, one point is clear.

No single measure can provide a clear picture of a business. The complexity of managing a business today requires managers to be able to view performance in several areas.

Understanding Key Performance Indicators will greatly assist in finding out the financial health of your business, identify the critical strengths and weaknesses and evaluate the impact of future business strategies.

## Finding your competitive edge

- Do your customers know exactly what you do and how you do it?
- Do you go that extra mile for your customers?

- Are you doing something different from your competitors that should be known by your customers?
- Are there any other differences in what you do that stands out from others in your industry?
- What are the strengths and weaknesses of your business and those of your competitors?
- Are there any strengths that you have over your competitors?
- How experienced is your team? Do they have a particular expertise?
- How good is your quality control?
- How well do you treat your employees or suppliers?

Chances are you've already found your competitive edge. If not, think about what opportunities are now available to your business to create a point of difference.

## RSM Thailand News

### New Chairman of British Chamber of Commerce in Thailand (BCCT)



RSM Thailand would like to congratulate Graham MacDonald, Director of our alliance partner MBMG International Co., Ltd on his recent election to the position of Chairman of BCCT. Graham has served on the BCCT Board for several years and had been Vice Chairman since 2005.

### Harrow International School Work Experience Programme 2010 at RSM

Disha Jain and Hana Jung from Harrow International undertook work experience at RSM during the month of July 2010. Disha was assigned to work with our Accounting Department, whereas Hana was assigned to work with the Legal, Administration and Recruitment Departments. The venture between RSM and Harrow was successful and we expect to receive more interns in the future.

## RSM International News

### RSM Tenon acquires certain business assets from Vantis

RSM Tenon, the UK member of RSM International recently completed the acquisition of certain key offices and the whole of the Financial Management business of Vantis which was the HLB member firm for the UK. The offices acquired include Leicester, Epsom and Wigmore Street London.

## RSM Sponsored Events - Past & Upcoming

**Annual St George's Society Ball** - RSM Thailand will be sponsoring the Annual St George's Society Ball at the Landmark Hotel on Saturday 23<sup>rd</sup> October 2010.

**New Zealand Thai Chamber of Commerce Annual General Meeting** - RSM will be sponsoring the New Zealand Thai Chamber of Commerce AGM and Networking Event at the Sheraton Grande Sukhumvit on 28<sup>th</sup> October 2010 for the 8<sup>th</sup> consecutive year.

**30th STC Interport Balut Competition** - RSM Thailand will be sponsoring the 30th STC Interport Balut Competition from 19<sup>th</sup> to 21<sup>st</sup> November at the British Club Bangkok.

**Old Bangkok Bangers Rugby Club** - RSM Thailand will be sponsoring the Old Bangkok Bangers Rugby Club for the 2010-2011 season.

## RSM Thailand

RSM Thailand is a member firm of RSM International, the sixth largest worldwide organization of independent accounting and consulting firms represented in each of the top 40 business centers around the world with in excess of 30,000 staff in over 700 offices in more than 70 countries, driven by the common vision of providing high quality professional services in their domestic markets and in serving the international needs of their client base.

## Thailand Service Line Contacts

### Corporate Advisory

Gareth Hughes  
Sethaphong Phadungpisuth

### Accounting & Tax Compliance

Mark Butters

### Executive Recruitment

Mike Holloway

### Commercial Legal Compliance

Pardorn Suchiva

### International Tax Services

Steven Herring

### Audit & Assurance

Prawit Wipusirikup  
Surachai Damnoenwong

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We welcome your comments and feedback. Please feel free to contact us on the details below:

RSM Advisory (Thailand) Limited  
26th Floor, Sathorn City Tower  
175 South Sathorn Road  
Bangkok 10120  
Thailand

T: +66 (0) 2670 9002-6  
F: +66 (0) 2670 9027-8  
E: AskUs@rsmthailand.com  
W: www.rsmthailand.com