

# How To Prepare Your Small Business For The New Year

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7 min read



It's that time of the year...again! It's hard to believe 2023 is right around the corner.

## Key Takeaways

- **Prepare Your Small Business for the New Year:** The end of the calendar year requires that you complete your year-end financial reports such as a year-end income statement, balance sheet, and...
- **Assess and Improve Employee Engagement:** Employee burnout, disengagement, and attrition rates are at an all-time high. With unemployment numbers low and the demand for new hires high during the Great Resignation...
- **Back Office Strong Enough to Support Your Business's Growth:** No small or medium-sized business is too small for a high-powered back office that's designed to support your business endeavors while protecting you from internal fraud and...

Whether or not your company's tax year ends on December 31st, there are some things you should be thinking about to ensure a smooth ending for this calendar year and a strong start for the next.

Consider the following 10 tips and tasks to prepare your small or medium-sized business for the new year.

## 10 Tips and Tasks to Prepare Your Small Business for the New Year

### 1. Focus on Your Financial Reports

The end of the calendar year requires that you complete your year-end financial reports such as a year-end income statement, balance sheet, and [cash flow statement](#). Once you have these reports available, it's a good time to analyze the reports, track your key performance indicators, and assess your business's annual performance. Consider whether your numbers are trending upwards or downwards, the reasons why, and use this information to inform your business and financial plans for the upcoming year.

### 2. Settle Accounts and Assess Your Sales Cycle

Before the end of the year, ensure your payables are paid and work hard to collect any outstanding receivables to keep your accounts buttoned up and tidy. The fewer outstanding balances that must carry over into the next year, the better.

Once these accounts are settled and reconciled, you should take the time to assess the data, specifically looking at the length of your sales cycle and your days sales outstanding (DSO) metric. In other words, look at how long it takes for you to get paid after you've provided a customer with an estimate, begun work for the customer, and sent an invoice.

**Read More:** [When Your Sales & Profitability Are Struggling, Do THIS...](#)

If your DSO is longer than 30 days, consider whether there are any adjustments you can make to your client contracts to improve this metric. For example, you might begin requiring an upfront down payment on your services, charge late fees for outstanding balances, implement a customer credit/underwriting policy, or offer a discount for early payment.

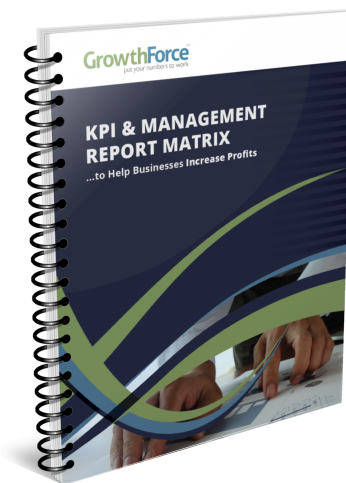
### **3. Tackle the Bottom of Your To-Do List**

For many industries, business tends to slow down at the end of the year while everyone is busy and distracted by the holidays.

Take this opportunity to plow through your to-do list – especially, those low-priority items at the bottom that keep getting shifted to new lists as you complete higher priority tasks first.

Enter the new year with a clean slate by tying up these loose ends: organize your files, reply to unanswered emails and clear out your inbox, clean up your desktop, and organize the rest of your paperwork and documents.

#### **Beyond Financial Statements: Reports & KPIs That Boost Profitability.**



[The KPI & Management Report Matrix walks through the 5 biggest decisions every business owner has to make, and what reports to have at your fingertips to help make those decisions:](#)

## **4. Celebrate Successes and Learn From Failures**

As you look back on the previous year, identify your successes and take the time to celebrate in addition to recognizing the individuals who contributed to everything your business achieved. Plan a holiday or end-of-the-year office party to celebrate your accomplishments, show your people they are appreciated, and recognize everyone's success.

Likewise, it's important to identify failures of the past year that highlight areas where your business could improve. Use these failures as learning experiences that can be used to set better goals for the coming year while taking action to correct problems within your company.

## **5. Set New Goals, Strategies, and Action Plans**

Before the new year begins, you should have a [fresh annual budget](#), a set of new annual goals, and an outlined action plan for how you intend to achieve those goals in the new year. This way, you won't waste time, scrambling to find a new direction, once business picks up in January.

## **6. Create a Marketing Schedule**

In addition to setting business goals and strategies, you should also have a rough outline for your year's marketing schedule, campaigns, and content. How do you plan to reach your customer base this year? How will you time advertising campaigns to capitalize on your busiest season? How will you measure the ROI of your marketing strategies?

## **7. Prepare Your Infrastructure for Growth**

If you are projecting business growth this coming year, then it's important to consider what needs will arise in your business as a [result of that growth](#).

For example, will you need to hire more sales representatives, more service providers, or other types of representatives to support your growing operations? If so, consider how soon you will need those individuals on your team and how much time it will take to onboard and fully train them. Plan to time your hiring so that your new employees will be up to speed as soon as you need them to hit the ground running.

## **8. Assess and Improve Employee Engagement**

Employee burnout, disengagement, and attrition rates are at an all-time high. With unemployment numbers low and the demand for new hires high during the Great Resignation, replacing lost employees and filling new positions is becoming more and more challenging.

At the end of the year, take a look at your employee turnover and/or retention rates. Are they higher than expected? Why did your employees who quit choose to leave? Take stock of this information in addition to your existing employees' happiness, satisfaction, and engagement.

Talk to your employees about these things and conduct in-house surveys to take their temperature.

If employees are burning out, dissatisfied, or disengaged, take steps immediately to remedy the problem. Your employees are your most valuable asset, and they need to know that they're appreciated. Consider overhauling your employee benefits, adopting a hybrid office, and improving the way you reward and recognize your employees.

**Read More:** [How Recognition and Rewards Impact Employee Engagement and Performance](#)

## **9. Plan Vacations**

The end of the year is a good time to plan your vacation time. Small and medium-sized business leaders often don't find (or prioritize finding) the time to take time off and recharge. This time, however, is vital to your overall happiness and health, so it's important that you make your vacation time a priority. Planning your time off before the start of the year will help you to plan other obligations around your vacation, rather than trying to squeeze a vacation in at the last minute.

## **10. Tap Into SMB Leadership and Management Resources**

As a small or medium-sized business leader, it's important that you continuously work on your own professional development by improving your business acumen, management abilities, and leadership skills. Tap into a variety of resources such as books, podcasts, webinars, seminars, industry publications, conferences, networking, and even classes. Be sure to schedule weekly or daily time for your personal professional development.

## **Is Your Back Office Strong Enough to Support Your Business's Growth?**

No small or medium-sized business is too small for a high-powered back office that's designed to support your business endeavors while protecting you from internal fraud and improving your operational strategies and ability to achieve goals.

If your back office is lacking sound policies and procedures, enough team members to separate duties while carrying out the back office tasks, or the streamlined tools and technology that can automate the redundancy of record-keeping, then you could benefit from deciding to strengthen your back office for the coming year, as well.

For many SMBs, staffing their back office with a full-time, fully functioning team is a pipe dream due to the high cost of labor. However, this doesn't mean that your back office and your business have to suffer. Thanks to flexible outsourcing solutions, SMBs can access complete teams of back office professionals while tapping into the modern technology that makes

management bookkeeping magic. Choose the level of services your business needs now and then let your outsourced back office grow as your business and its needs grow, too.

With a solid back office, your business can benefit in the new year with financial insights that can help you cut costs, increase revenue, strengthen profit margins, perfectly time the hiring of new team members, and more. So, if your back office hasn't worked for you this year, then we suggest adding a back-office revamp to the top of your year-end checklist.