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Your Finance Emergency Service

As I write, I am preparing to pack up our trusty CR-V to make the 100 mile or so drive to our home for the week in beautiful Deeside. This will be our eighteenth year visiting, but our first without any of our now-grown children. I recall fond memories over the years of cycling and walking in the stunning hills surrounding the Dee valley, dragging surly teenagers behind us. I can also now laugh as I remember a rather shambolic holiday one year involving an old Vauxhall Zafira. While the old girl gallantly managed the notorious “Devil’s Elbow” (the 1 in 6 climb near Glenshee on the A93), she was clearly wanting a week of R & R once we arrived, not to be carting the five of us, with a bike trailer in tow, all over the Cairngorms



Not the best timing

Admittedly, a bit of a banger, first, the ignition switch went. Luckily, the local repair shop was able to source a switch quickly and came along to our lodge to fit it for us – a relatively quick and easy fix by the friendly, local garage owner. It wasn’t a major disruption - we were only a couple of days confined to the immediate area. Next, while on an outing further afield, we had a puncture – again, not a major issue, Mr C is quite capable in that department. It was the evening before our return home however, when just after refuelling for our homeward leg, disaster struck. With considerable grinding and crunching, our faithful motor slowly ground to a halt. Fortunately, we were able to pull over safely. Mr C now with his head under the bonnet, stood inspecting the damage, shaking his head. The remaining four of us, wide-eyed, nervous (but knowing better than to suggest any help) stood well back at the side of the road.

Several calls later and a taxi back to our lodge, the recovery was organised for the day after, to relay us back home. The diagnosis - a snapped timing belt resulting in destroyed valves. The petrol we had just put in the car now worth more than the vehicle itself.

The moral of the tale – well first, make sure you get your timing belt replaced regularly (although Mr C maintains to this day it was still well within its replacement timeframe). Secondly, we cannot predict when disaster might strike but knowing who to turn to and what help is available can get us back on the road quickly and safely, with the minimum of fuss.

Take John for example...

A Greek tragedy

John runs a busy service and MOT workshop, second-hand car and van sales business. He relies on Shirley, his bookkeeper, to keep the finance-wheels on and turning. Shirley quietly and efficiently takes care of the weekly and monthly payroll, supplier invoices and payments, customer billing, second hand car VAT and chases up payment of accounts, making sure John knows how much cash is in the bank each week. It’s July, and Shirley is preparing to take a well-earned break – she’s off to Greece with her friend Jane, for some sun and relaxation. The wages are run in advance, and everything is up to date. John will cope with the admin until she returns in a fortnight.

The day of Shirley’s expected return and she doesn’t turn up for work. John leaves it a while, thinking her return flight must have been delayed. By mid-afternoon he hasn’t heard from her, which seems strange, so he tries calling her. No reply. The next day, still with no contact, he contacts her brother, her registered next of kin. To his astonishment, Shirley’s brother informs John she has fallen in love and intends to stay in Greece to be with Costas.

As John’s initial incredulity at the situation subsides, he starts to consider the impact on his business. While John understands what needs to be done, he doesn’t have the time to take on the accounts on top of everything else. He could advertise for someone new, but how long is that going to take and what if they aren’t any good? His business could be seriously affected if he can’t keep on top of the payroll, VAT, supplier and customer accounts. The last thing he needs right now is disgruntled employees or suppliers, or fines from HMRC for late filings or payments.

Taking care of business

John recalls reading a recent article in his trade magazine about the benefits of finance and payroll outsourcing. It explained that for many SME business owners, outsourcing part or all their finance function not only gives them peace of mind, knowing that professionals are looking after the payroll and bookkeeping, it can be cost-effective and efficient too. The article explained that while many businesses are reliant on just one or two staff to take care of the accounting, with outsourcing, a business has access to a team of finance professionals, qualified accountants and experts in fields such as payroll, VAT, tax and accounting compliance.

With outsourcing, employee absence (and romances) are no longer an issue and the use of service level agreements to document things like the expected turnaround time and costs of service make sure everything is clear from the outset. Using technology to help control tasks and workflow, outsourcing teams ensure deadlines and clients’ regulatory obligations are met. Many outsourcing arrangements can even take care of clients’ employee and supplier payments and will take care of regular credit control duties too. The article highlighted the importance of choosing an outsourcing partner with a strong focus on data security, fraud prevention and internal control procedures to ensure the threat of cybercrime is mitigated.

Peace of mind

For SME automotive businesses, outsourcing payroll and finance functions can offer a strategic advantage, ensuring compliance, efficiency, and peace of mind. By partnering with a reputable outsourcing provider, businesses can navigate the complexities of payroll and finance while allowing business owners to focus on their core operations, and drive growth.

Elaine Cromwell is a Partner at Thomson Cooper. She heads up the Outsourcing department, specialising in assisting clients with their finance function including payroll bureau, PAYE, payments and VAT. Elaine advises clients regarding internal controls, processes and systems.