XERO TOOLS TO KEEP YOUR BUSINESS GROWING

Part 1 - Business Snapshot

SHORT TERM CASH FLOW	BUSINESS SNAPSHOT
Projects your bank balance	Identify business trends
View the impact of bills & invoices	View financial metrics
Real time insights	See how the business is doing

WE ARE GOING TO LOOK AT THESE 2 TOOLS THAT YOU CAN EASILY ACCESS WITHIN XERO TO QUICKLY EVALUATE THE STATE OF YOUR BUSINESS – BUSINESS SNAPSHOT AND ALSO THE THE SHORT TERM CASHFLOW TOOL.

LET'S START WITH THE BUSINESS SNAPSHOT.

The Business snapshot is a dashboard displaying performance measures to help you understand your organisation's financial position.

You need to have two or more months worth of transactions in Xero before any financial metrics display. The metrics include your business profitability and the average time it takes for your customers to pay you.

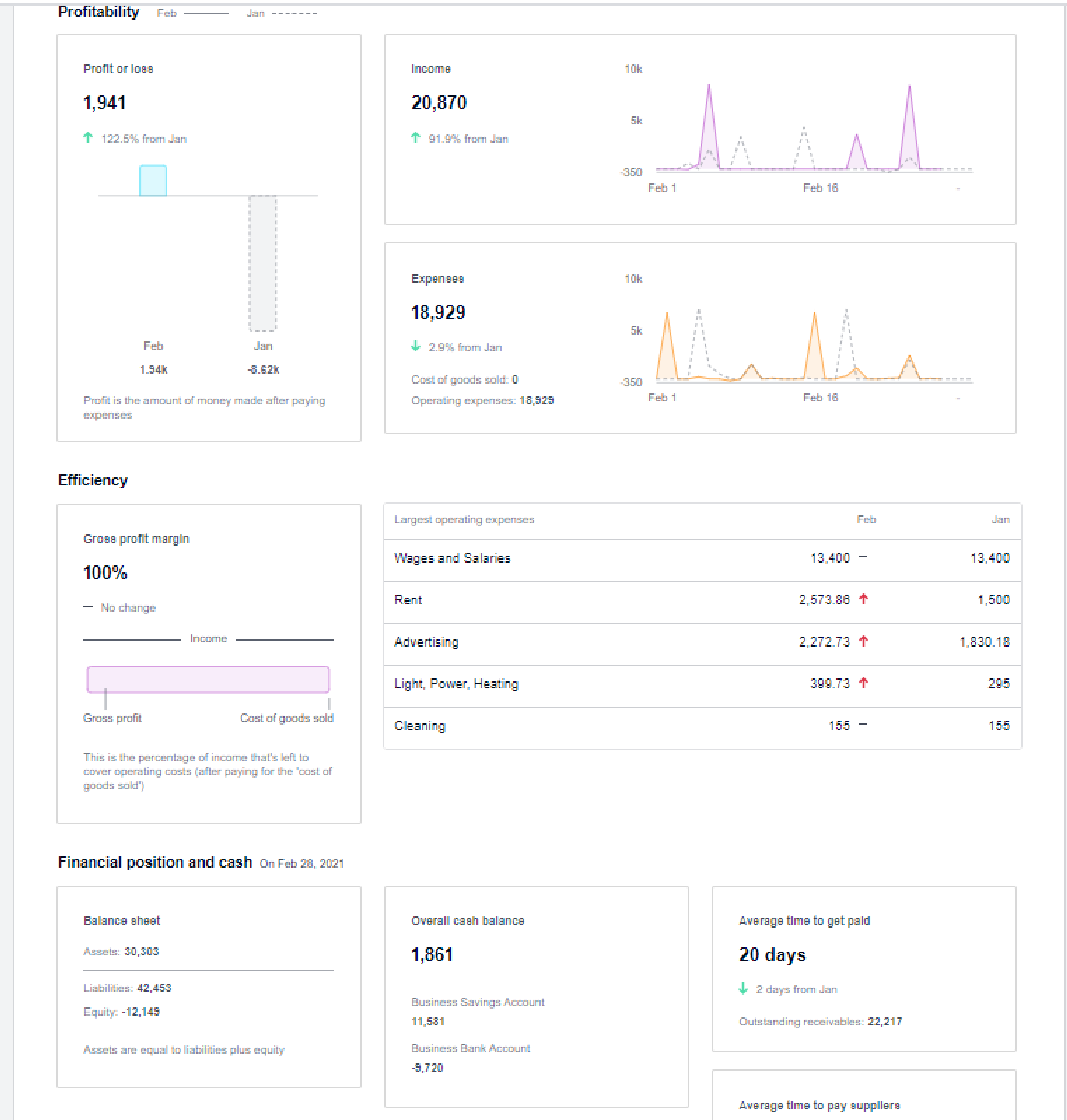
To ensure your information on the dashboard is current, you need to reconcile your bank transactions regularly.

Use the dashboard to discuss your organisation's financial health with your accountant or advisor.

To view the Business snapshot dashboard:

1. In the Business menu, select Business snapshot.
2. (Optional) In the top right hand corner of the dashboard, click Last Financial Year to change the reporting period. The selected period displays in blue.
3. (Optional) Click Print to print the snapshot.

You can save the snapshot as a PDF or other type of document when you're in print mode.



Xero uses data from your organisation and applies accounting formulas to calculate the totals you see on the business snapshot. If you're unsure of what these accounting formulas are, we suggest you chat with your accountant or bookkeeper.

Title or Heading	Definition	Business Snapshot Calculation
Profit or Loss	Profit is the difference between revenue and expenses. If expenses are less than revenue, this results in a profit. If expenses are more than revenue, this results in a loss.	Profit = revenue - expenses Revenue = the total of all transactions in the period coded to a Revenue type account code. Expenses = the total of all transactions in the period coded to an account code with the Expenses account type.
Income	Income is what a company earns from selling products or providing a service.	Income = the total of all transactions in the period coded to an account code with the Revenue account type.
Expenses	Expenses are the costs incurred in running a business. Cost of goods sold (COGS) is the direct costs related to the production of goods sold by the company. This might include expenses such as materials needed to make the product, or freight to get the materials. Operating expenses are those related to keeping the business running, but they're not directly linked to making the products to sell. These expenses	Expenses = the total of all transactions in the period coded to an Expenses account code (Direct Cost, Expense, Overhead, or Depreciation). COGS = the total of all transactions in the period coded to an account code with the Direct Costs account type. Operating expenses = the total of all transactions in the period coded to
Gross Profit Margin	Gross profit is the amount a company makes after deducting the costs associated with making and selling its product/services. The Gross profit margin is the percentage of revenue that exceeds the COGS.	Gross profit = Revenue - COGS Gross profit margin = (Total revenue - COGS) / Total revenue

Balance Sheet	An asset is something that a business owns and can use it to generate income, or convert it into cash. This might include stock, buildings,machinery, investments, money owed to you from customers. Liabilities are what the company owes. This might include loans, or money owed to suppliers. Equity is the shareholders interest in the company. It's the amount of money the shareholders would get if all the company's assets were sold and the liabilities were paid.	Assets = the balance of all Assets account codes (Current Asset, Fixed Asset, Inventory, Non-current Asset, or Prepayment) as at the date of the snapshot. Liabilities = the balance of all Liabilities account codes (Current Liability, Liability, Non-current Liability) as at the date of the snapshot. Equity = Assets - Liabilities
Overall Cash Balance	The Overall cash balance is the total amount of cash that the organisation has as at the date of the snapshot. The three bank accounts with the most money in them display.	Overall cash balance = the balance of all account codes as at the date of the snapshot that have the Account Type set as Bank.
Average time to get paid	How long on average it takes you to pay your bills. Outstanding payables is the total amount of all purchase bills that you still owe suppliers.	Average time to pay suppliers = Average accounts payable balance x number of days (in the period) / COGS.

With all these tools, you need to have up to date bookkeeping – all your supplier bills and expenses need to be entered, your bank accounts/credit card reconciled and of course your customer invoices up to date.

If you are struggling to keep on top of the books, talk to us about how we can do the heavy lifting whilst you focus on growing the business and analysing the results with these great Xero tools.

xero

GOLD CHAMPION PARTNER