

Nine reasons why entrepreneurs should hire an accountant

When it comes to asking for help, a recent survey showed that startups are more likely than owners of established businesses to enlist mentors or coaches. Long-time business owners, on the other hand, were more likely to rely on the services of accountants, lawyers and bankers than their younger counterparts.

Considering the number of startups that fail in the first year of business, and the challenges entrepreneurs face on a daily basis, it's apparent that we must help startups understand the importance of working with dedicated professionals. Does an accountant cost money? Of course, and it's one of the biggest reasons preventing entrepreneurs from seeking the services of a professional accountant. But startups should consider their services investment, not an expense.

An accountant's scope of work does not end with tax preparation; they can and should be a year-round business partner that can lend expertise and perspective in your industry to help your business grow and navigate through an uncertain economy.

Here are nine reasons why all entrepreneurs should work with an accountant.

- 1. Focus on why you started your business. Entrepreneurs are passionate, and the more than half of small Canadian business owners surveyed went from business idea to opening in less than six months. With such rapid growth, business owners can't afford to get bogged down with tasks that don't help you continue to grow. Accountants can take on the heavy lifting of many different aspects of your business.**
- 2. Find work-life balance. Regardless of how new or established a business is, owners across the board struggle with finding the right balance between work and having a life. In fact, maintaining a balance was the top challenge for startups. Accountants can take on the tasks you are less than thrilled about handling, and free you up to sell, market and grow during the day, and maybe even take your son to soccer practice at night.**
- 3. A professional reputation. A good accountant will represent you and your company in the best possible way. This is particularly important as new businesses strive to build strong relationships with key players in their success, such as the bank.**

4. It's vital to a company's success. As reported by the Sage survey, more established business owners report working with an accountant, agreeing that working with an accountant is a critical element in success.

5. A new perspective. Oftentimes entrepreneurs are so involved running the day-to-day operations of their business that they may not be able to see the whole picture. Someone who is removed from the business can provide a different perspective that may otherwise be missed. Meeting with an accountant can be like taking a step back, looking at the bigger picture and gaining a fresh, new perspective. Sometimes that's all it takes to come up with the next big idea.

6. They have reach. Don't underestimate how valuable it is to receive guidance from someone who has insight and knowledge across hundreds of businesses and industries. Accountants not only get to see the financial information of many businesses across a variety of industries, but they also have visibility into best practices that are working for other businesses as well as the mistakes others have made that have led to failure. Being able to have this insight and share information on what has or hasn't worked for others is invaluable – why reinvent the wheel if you don't have to?

7. Businesses need a plan. One reason thousands of businesses fail every year is because they didn't have a plan. When asked why, they said, "I just didn't know where to start." This is where an accountant comes in. A good accountant will partner with a business to look at all the data and help build a road map to success. Poor planning isn't necessary, and bringing a professional on board can help small businesses plan for success.

8. They understand tax. This may seem obvious, but keep in mind that rules and regulations change frequently, and it's tough if not impossible for any business owner to keep up with it all. Twenty-nine per cent of Canadian small business owners admitted that accounting and bookkeeping is one of their biggest challenges. An accounting professional can take away your uncertainty and ensure your business stays compliant.

9. Analyze data for growth and profitability opportunities. If all of your data is just sitting in a database and you're not interpreting, analyzing or using it to help drive your business direction and decisions, you're missing out on a great opportunity. Have an accountant help you dive into the numbers and use them to propel greater business growth and profitability in the future. A great way to do this is through online collaboration in a small business accounting solution where accountants have visibility into clients' financial data in real time.

Can your startup survive without the assistance of an outside accountant? Possibly, but the extra insight, guidance, and expertise an accountant offers can be the catalyst that makes your business thrive.