

Top accountant ‘the key to success’ for start-ups

BUSINESS

A record number of fresh firms are expected in 2023 and having the right financial processes in place will be critical to their prospects, says accounting firm’s CEO.

By [Josh Needs](#) • 06 January 2023 • 5 minute read

Good accountants, bookkeepers, and financial processes are paramount to the success of start-ups according to Platinum Accounting Australia CEO Coco Hou.

Ms Hou said starting a firm could be the highlight of an individual’s career but there were countless obstacles for those creating something from scratch.

“Starting up a new business is one of the most exciting things you can do as part of your career journey, however it can also be one of the most stressful and expensive,” said Ms Hou.

“There are lots of costs associated with setting up a new business so it is important that you take care to manage costs or you will put yourself in a precarious position from day one.”

“The key is to minimise spending while maximising revenue generation. Unfortunately many people are not good at minimising spending.”

According to Platinum Accounting Australia, the number of micro-businesses grew by 10 per cent to 1.55 million in the year to June 2022 with a record expected in 2023.

Ms Hou said a reliable accountant was vital for anyone hoping to create their own business.

“There are some things you must have from day one when you start a business and having a good accountant and bookkeeper is very important,” she said.

“A good accountant will ensure that your structure and business have been set up correctly from day one to meet your needs from a risk and tax compliance and minimisation point of view.”

“They will also work with you to put in place systems to help you manage your cashflow, invoices and expenses in a central and manageable manner.”

Ms Hou said keeping track of expenses and receipts was also crucial while ensuring invoices were created and processed quickly to achieve efficient payment times and positive cashflow.

As the importance of technology grows she said those creating start-ups should not ignore the firm's digital assets.

"It can be difficult to think of everything when you set up a business but digital assets are very important," said Ms Hou.

"Websites, social media and customer databases are critical in business and form a key part of your overall operations and digital assets. Ensure you have registered all available and relevant domain names, social media pages and your branding with IP Australia."

"These assets will grow in value over time and become integral to your brand and business value. If you don't secure domain names and social media handles early on, it may cost you more once your business is established to purchase these assets."

In light of the Medibank and Optus hacks businesses have learned first-hand the importance of robust security, both physical and cyber.

Ms Hou said ensuring digital security was paramount no matter how big or small the business.

"Security is an important issue for business owners regardless of your size or stage of growth," she said.

"Ensure your computers, website and other assets or systems that sit in the cloud or are connected to the internet are secure. A lot of businesses are being hacked and blackmailed, websites are being hijacked and social media accounts are being hacked into and stolen."

"Ensure you have good security in place from day one and maintain high levels of vigilance. Being hacked can be devastating and bring your business to its knees."

Founded in 2008, Platinum Accounting Australia has offices in Sydney, Melbourne, Brisbane, and Adelaide and provides a range of services including tax planning, accounting, advisory and bookkeeping to businesses of all sizes.