

Tolley's Businesswise: Financial planning for the Small and medium sized Enterprise.

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Tolley's Businesswise is a pocket guide to financial management for the small and medium sized business. It is succinctly written, packing a wealth of advice into just over 200 pages. As such it cannot hope to cover absolutely everything a SME financial manager would need to know, but it is an excellent starting point.

Businesswise briefly covers the basic management accounting principles from costing to PE ratios including discounted cash flow analysis. There are a number of worked examples of both manufacturing and retail industry costings, but disappointingly none specifically for the service industry. Several other techniques and concepts such as the capitalisation of brands, are mentioned but not explained in detail.

However Businesswise does provide refreshing advice on the universal problem of how to raise additional finance. Peter Lyons uses his 14 years of banking experience to clearly explain what a bank manager needs to know, - how to present an application for venture capital or grant finance and why personal guarantees are so frequently requested from SME directors.

The author rejects the fashionable idea that turnover and profits are everything and revives the balance sheet as a valuable business management tool. Appendix F provides the business manager with a plain English translation of the balance sheet terms and uses each asset category to prompt the business manager with pertinent questions, such as: Are trade investments really necessary?

Businesswise also contains some gems of advice for the start-up business and a frank discussion of why businesses fail, pointing out the warning signs and suggesting preventative measures. I was particularly impressed by the chapter on how to draw up forecasts of cash flows, profits and balance sheets.

I would recommend Businesswise as a book for Accountants give to their clients, with chapters highlighted for further discussion. For example chapters 2 and 4 that deal with Business Strategy, and Planning for Growth are two areas that are frequently overlooked by SME managers when their attention is focused on the day to day running of the business.

Tolley's Businesswise would also make a good text for grounding material on business studies and finance courses. It is not comprehensive, but it is relatively light and readable, which is more than can be said for most texts on financial management.

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