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The Benefits of Centralized Accounts

It is far too easy for small businesses—and even some bigger ones—to lose track of accounts and records. Centralizing them—whether electronically or manually—is a sound way to avoid losing records. Here’s how.

by Peter Fretty

Operating in the information age, it may seem improbable that any business would be able to manage without a firm grasp on all of its records. However, this seemingly unlikely scenario actually is commonplace among understaffed environments that, in some instances, are overrun with information coming from an array of sources.

The best way to conquer this scenario is to manage data through centralized accounts. Doing so ensures that employees are able to find what they need and have a routine methodology to follow, explains Laura Leist, a Seattle-based board member of the National Association of Professional Organizers (NAPO). “If they can't find it when they need it, they will recreate it and that costs money,” she says. “Employees need to know what information is available and how to access it.”

By the Book

There are a few quick steps necessary to get the ball rolling. It first is important to take the time to step back, look at current operations and find the areas of dire need. Once areas of concern are noted, principals need to identify what organizational techniques best fit the company and create formal plans that eliminate any questions. Throughout the entire process, it is important to involve all pertinent employees in the discussion. While not all employees need to be aware of the tactics chosen, anyone who provides data to the office (expense reports, receiving tickets, etc.) needs to be aware of the methodology in place.

Typically, the best place to start is with financial data, explains Jerry L. Mills, a Phoenix-based CPA and author of *The Danger Zone - Lost in the Growth Transition*. “How can you know where your company stands financially without knowing all of the data?” he asks. “As fast as business moves today, no business owner can afford a loose grip on their operation’s records. Many contractors understand the value in investing in the latest tools and equipment to help improve building, but they tend to ignore the fact that investing in their business is actually one of the most crucial investments. These are the tools that provide you the ability to properly budget and quote projects.”

Moving On

Beyond accounting, taking a centralized approach to contact management also can reap

rewards, especially when repeat business or referrals play a key role in future success. “There should be a centralized record for anyone (customers, suppliers, etc.) who touches your company, including notes, documents, history of activities, scheduled follow-ups, etc.,” says Gene Marks, Bala Cynwyd, Pa.-based editor of *Streetwise Small Business Book of Lists*.

This is one area where technology—including customer relationship management tools like ACT, Sharepoint or even Microsoft Outlook—can make a significant impact. In fact, a correctly used contact management program can be valuable when it comes to marketing efforts, sales pipeline and keeping in touch with clients. “Scanning and the ability to quickly index documents is also technology that can help cut down on the amount of physical paper in the office,” Leist says.

Once in full swing, management should see great benefits from the ability to generate reports. For instance, what new calls have come in, what new leads were generated in the last week, etc. “When employees know that management is using the system to run the business, they’ll be right in line,” Marks says.

Once a business starts implementing a centralized organization methodology, it easily can spread to include more facets of the operation. The key is to make sure that changes make sense and are not resulting in unnecessary work.

Environmental Awareness

While organization has its high points, Marks warns that a centralized system will fail without a good internal champion who has authority. “They need to be an expert in the system and serve as the central point of contact for all issues about the system,” he says. “Without someone like this in place you’re destined for a big glorified rolodex instead of a really good working system.” Leist agrees, adding that business owners need to be cognizant of the fact that people like to do things their own way, rather than what is best for the greater good of the company. “This is why many individuals are reluctant to change,” she says. “It is easier to continue to do things the old way.”

Leist also warns against simply hiring office assistants or office managers in hopes that they will get the business organized. “It usually does not work that way,” she says. “Rather, it is the business owner or manager that needs to define the systems and procedures, essentially putting the framework in place. Then it helps to let the office manager or assistant maintain what is created. This is critical because office help will come and go, but the owner or manager will be with the company long term, and they need to know how things operate and run when that office person leaves and a new employee needs to be trained.”

Quick Hits

The following is a checklist provided by Laura Leist, a Seattle-based board member of the National Association of Professional Organizers (NAPO), as a guide for getting organized:

1. Make it a priority and find the time to start the program.
2. Identify the key players that will create and implement the program.
3. Determine your end goals for the program.
4. Depending on whether the system is paper or electronic, investigate storage options and/or software that will be used.
5. Sort through the documents that are in the system so you know what you have.
6. Establish consistent naming conventions for folders and documents to allow for easy retrieval.
7. Delete documents that are unused, duplicates or are unnecessary for tax or legal reasons.
8. Hold a training program or individual training to roll out the new system to all employees. Show them why this project is important.
9. Keep one project manager on this program at all times because it needs to be maintained.
10. Enjoy knowing what information you have and being able to access it quickly

Laura Leist is president and founder of locally based Eliminate Chaos LLC. Her latest book is "Eliminate Chaos: The 10-Step Process to Organize Your Home & Life" (Sasquatch, 212 pages, \$19.95), available at bookstores or on her Web site, www.eliminatechaos.com She can be reached by e-mail: laura@eliminatechaos.com or phone 425-670-2551.