

Jeff Smith's new book, *Management Accounts Made Easy* has truly gripped me over the course of the last few days.

Our business is one that on the surface seems quite straight forward. We sell a few cars, service a few cars, sell parts for them. What could be simpler?

However the reality is far more complicated than that. The average dealership has a parts operation which carries more line items than most supermarkets.

Unlike a supermarket, which has a single stream of revenue, dealerships have four principle streams of revenue, (Sales, Service, Bodyshop, and Parts.) There are over 200 hundred Key Performance Indicators, (KPI's) associated with running the average dealership operation.

The old saying that 'retail is all about detail' has always applied in business. But in the motor industry, it is an imperative requirement, that all managers need to understand.

Whether you are running a small retail dealership in the Cotswolds, or a large distributor in the Middle East, It is small changes that make the difference in business, rather than large sweeping ones. In order to make those changes, managers need reliable, quality information that they can base their decisions on. After all it's impossible to make good decisions, using bad information.

This latest book completes a trilogy of industry 'best practice books', that Jeff has written. Each of them building on the skills and competencies, that a modern manager requires, in order to be a success. It is impossible for any manager to claim that he is in 'control' of a department, or company, if the actions of that department or company cannot be measured.

Consider, (for those of you who like sports), trying to play a game of snooker, or golf, without keeping score. What would be the point of the game?

Imagine a darts match, or cricket match, that does not keep track of all the events that happen, throughout the game?

You would end up with the games being a pretty pointless exercise.

It's the same in business. If you can't measure what you are doing, then you can't possibly manage what you are doing.

Jeff's latest book, reinforces the need for managers to get to grips with this vital aspect of their job. It allows management teams, and their accountants, the ability to communicate better with each other. It gets right to the heart of the matter of financial issues quickly, and effectively. With an ease that has been missing from other industry publications.

Whatever your career aspirations, *Management Accounts Made Easy*, is essential reading for individual career development.

With motor retailing incorporating 'industry best practices' on a global basis, it is as relevant on the international stage, as it is within the UK.

(I believe) Graduate trainees, department managers, general managers, accountants, and shareholders will come to view this book as an essential reference guide, and an extra 'tool' in the box, of their skill sets.

In *Management Accountants Made Easy*, Jeff skillfully takes the reader through the P&L, and the Balance Sheet. Reminding on the way that, "although results are important, they are not as important as understanding how they've been achieved".

The book is uncompromising in both its clarity, and simplicity. Allowing the reader to build on a knowledge base, and develop confidence in the subject, at one and the same time.

It reinforces the view that managers who are actively engaged and involved, in analysing their company's Balance Sheets are better prepared to steer the company correctly. They will be far more aware of the need to monitor cashflow, and will usually have a focussed and disciplined approach, to running their businesses.

In these troubled economic times consider the alternative. Managers chasing around like chickens with their heads off. Missing out on opportunities, failing to make timely interventions. Lacking the ability to spot a significant trend, and unaware of problems building up in the business. Which can then strike like an overwhelming Tsunami.

The numbers on their own are not sufficient. It is the interpretation and the ratios that lie behind the base information, which allow the trained manager to select considered choices, rather than leaving things to chance.

Jeff Smith has encapsulated, what is after all industry 'best practice', rather than an individual companies, 'custom and practice'. There is a massive difference between the two things . The former is applicable on a global basis, with all cutting edge successful companies. Where as the latter is usually as a result of a culture, which is unresponsive to a change within the industry.

Management Accounts Made Easy. It certainly has for me.

David Carter.