

The Language of Business

You may well ask the question what does a business advisor do? The answer will always vary depending on the personal knowledge of the person who is responding and at what stage they are at in their business. A simple description of the role of a business advisor might be 'a person who translates the language of business. Effectively they help to translate business plans, marketing strategies, threats and opportunities, finances, internal and external infrastructures into a viable business.

Effectively a business advisor is a person that is able to converse in many of the languages of business which help to facilitate the efficient and effective running of a business. They are able to translate numbers into pictures and vice versa, goals into statistical data, targets into strategic goals and strategic goals into financial data.

Interpreting business into money

Interpreting your business into money will inevitably involve understanding:-

- What the breakeven point of your business is?
- Who the top ten clients of the business are?
- What percentage of sales and profit does each client bring to the business?
- What numbers are required to grow the business?

Simply being able to talk about your business in generic terms is not really enough. With the help and support of a business advisor you will be able to develop some meaningful due diligence data about your business. A distinct advantage of using a business advisor to help you to speak the language of business is that it will help you to understand your business from multiple perspectives and dimensions.

It's all about the money

One of the key things that a business advisor will do is to help you present your business in a language that both banks and investors understand. No matter how well you present your business it will inevitably be 'about the money'. Even if you decide to speak in terms of products or services there will always be related questions about the production costs and profit margins of these products.

No matter how promising the business sounds any decisions made about investment will ultimately depend on the financial sustainability and viability of the business. Hence it is necessary to speak about the business in a financial language which they understand. It is important to understand that sales do not necessarily equate to making a profit. The costs and outgoings of the business may well eat into any potential profits that the business makes.

Use the language of business to your advantage

Roughly speaking the language of numbers, statistics and unit costs will always outpace the language of words. There really is no competition between words and financial data. For example if finance were the athlete then there would be numerous members of the team all focused on helping the athlete to win. There would be an accountant, bankers and business advisers to make sure that they are fielding the best team. Unfortunately there is not the same kind of team supporting the language of words.