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Xero Top Tips

Getting the Most Out of Your Xero Accounting System

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Leveraging technology to improve your performance is, in today's tech heavy business world, one of the most effective ways of maximising any company's potential. Few technologies offer such extensive opportunities for this kind of improvement as Xero cloud accounting software. When it comes to implementing and actually using Xero software, however, many businesses simply don't know where to start.

Fortunately, Dua & Co are a Xero platinum champion partner – so I've been able to come up with a list of useful tips and advice for businesses looking to fully optimise their cloud accounting experience.

Bank Rules

For Xero users who deal with cash transactions, don't have an invoice to match to, or don't enter all of their transactions in Xero before they import bank statements, bank rules can offer a faster, more efficient way of reconciling imported bank statements.

Once you have defined the conditions for each rule, they will run automatically any time your bank statement is imported into Xero – either through manual input or live bank feeds. Every bank transaction that matches a rule, creates a transaction that you can edit or change to match with your statement line.

Bank rules can be set from the Manage Account section of your Xero dashboard, and you can continue adding to rules whenever you need to.

Recurring Invoices

One of the most immediate and beneficial advantages that Xero offers is the software's many options for automation. By making sure that your software is set up properly, you can let Xero take care of the more repetitive, time-consuming aspects of your accountancy and bookkeeping.

For instance, it only takes a few minutes to set up automatic repeating invoices in Xero, but the benefits will last significantly longer. Simply go to 'Accounts', then 'Sales', then select the option to repeat your invoices, and fill in the necessary details. You can also edit your recurring email template so that they can be tailored to each client.

This function can prove particularly useful to businesses who are operating within service industries, as they will often invoice their clients in the form of a monthly package.

Tailored Reports

Also included within Xero's useful features is a layout editor that allows you to fully customise almost every aspect of your financial reports. Taking full advantage of this tool to tailor your reports takes very little time, and it can prove extremely useful in keeping all of your reporting clear, consistent and efficient. To help you keep track of these reports, Xero's report centre stores them all, so that they can easily be called up whenever you need them.

Inventory Items

If your company sells finished products, then you can use Xero to improve your efficiency by keeping an eye on your inventory. The software can track the quantity of your stock, alerting you when you are running low, or simply to let you know how much you have left after each transaction. If you use the Xero Touch app, then you can have these alerts delivered directly to your phone - so that you are always in the loop and ready to make swift decisions.

Connecting Your Xero to Additional Tools

One of the common problems businesses face when implementing new technologies is spending plenty of time and effort making sure each tool and software work perfectly, without paying attention to whether they will work together. This is a particularly significant drawback, as a properly integrated network of tech solutions will create a far more efficient workflow.

To ensure that you're getting the most out of your Xero bookkeeping, connect it to any compatible software and add-on tools. This could include, but is not limited to:

- Bookkeeping apps like Receipt Bank and Autoentry
- Cash flow forecasters such as Futrli
- POS software, eg. iZettle or Shopify
- Payment services, eg. GoCardless, Stripe, Paypal

Linking your office email system to Xero will also mean that you can easily view correspondence histories in the contact card.

File Management

Xero's options for file storage and management mean that it can also be used as your team's online filing system. Using a single, online filing system can be hugely helpful for businesses, especially when your team are not all in the same location, but require access to the same information simultaneously. The advantage that this approach offers compared to other, similar file storage options, is that you can use Xero to easily collaborate and share files with your accountant or bookkeeper, in real-time. Files and documents can also be kept with the transactions that they relate to, to minimise time spent trying to match them up from different storage sources.

Email Templates

One of Xero's simplest time-saving features is the ability to use email templates for invoices, credit notes, purchase orders etc. The software comes with a number of templates already set up, which you can edit to match your specific requirements. Or, you can create your own from scratch and add them to Xero's library. This can be done via the Settings section of your dashboard. As well as saving you the time of drafting an entirely new email on every occasion, these templates also help to standardise your emails and create a single, coherent tone of voice across the company.

Payment Reminders

One thing that accountants can never stress enough to businesses is the importance of ensuring a healthy cashflow - without any complications, delays or blockages. Xero can play a major part in improving your cashflow, and keeping it at this high level, by setting payment invoice reminders that automatically notify your customers immediately before, or just after, their payment is due. Once you've set them up, you don't need to keep going back to them - the software will check for any outstanding payments every morning.

Budget Management

Lastly, using Xero's budget manager feature will help you to track your income and expenses throughout the year. You can forecast for 3, 6, 12, and 24 months, and use your chart of accounts to create estimates for your budget. You can even use the software to keep track of your budgets, and improve your performance accordingly. Putting these hints and tips into practice should help you to use Xero to its fullest advantage - saving you time and resources, and improving the efficiency of several of your business processes.



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