

## *Financial training For non financial staff*



*The financial training specialists*

### **Reputation, reputation, reputation! (profit & cashflow)**

It's not often I get to quote Shakespeare: literature and accountancy seldom meet. Apart from cooking the books, some might say!

Corporate Governance has been a big issue in annual reporting to shareholders in recent years, but it does rather seem to be a box ticking exercise. It should be about people in business acting with integrity, but often fails to make that leap.

Take the recent VW emissions scandal. The software in question can tell when an engine is being tested, and puts the engine into an ultra efficient mode that reduces emissions for the test, but would limit road performance. Back on the road performance is restored, and emissions soar – but the car has passed its test.

A brilliant piece of deception, until you're found out. But when they were found out VW's share price fell from 162 to 106.

The share price will probably recover – they do tend to – but will VW's reputation? A car is one of the bigger things we buy in life, and trust is important. "If only everything in life was as reliable as a volkswagen". How does that stack up now?

Another client described their reputational story. They agree 30 day terms with suppliers, but aren't very good at paying on time. Recently they wanted to increase the terms to 60 days, but most suppliers refused. They simply didn't trust the company to honour the new terms.

What do you do to ensure your customers and suppliers can trust your business?