



Blog

Insight, Inspiration and Support for Entrepreneurs & Mentors

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Know your finances and then borrow to grow

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[Alexey Saltykov](#) co-founded [InsurEye](#) with his business partner Dmitry Mityagin in 2011, as a way to educate Canadians about insurance and help them to make informed financial decisions. First-to-market in Canada, InsurEye offers an online platform to share independent [consumer reviews for Home, Auto and Life Insurance](#), and their Credit Card Navigator reveals details of [insurance on the credit cards](#) of Canadian consumers. Alexey had the following advice for entrepreneurs on effective manage their finances:

- **Say “no” to shoebox accounting.** It is very easy and tempting at the beginning to simply colle all of your bills without any particular accounting approach. Take the time to put in place a proper accounting solution as soon as you complete your first transactions. There are severa free (e.g. Wave Accounting), and for-a-fee (e.g. Quicken), tools out there.
- **Document each transaction.** Make it a rule to properly document every single transaction – it takes just a few minutes per day. At the very least, when completing your first annual tax retrurr you (or your accountant), will greatly appreciate it. If you have research or development-relatec expenses, consider having precise documentation of your work for future SRED (Scientific Research and Development program) applications.
- **It’s easy to borrow, it is harder to re-pay.** When you want to borrow money as an entreprene

(e.g. for development), find out first if you could get things done somewhere for less. Spend time investigating, comparing and negotiating, rather than quickly getting into debt or giving away part of your company. An optimal scenario is to build and test a viable product or service with very low investments, and to attract and retain initial clients. Only then should entrepreneurs move ahead and think about borrowing to expand their businesses (rather than to prove their idea).

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**Megan**

13 March 2013 at

A good post here. So often CYBF and other blogs/organizations talk about social media, leadership marketing, etc..etc.. but the bottom line is still cash flow! Thanks for this.

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