

Running a service business

Industry guides

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Running a service business

Quote jobs, track time and costs, invoice clients and manage recurring services.

Intermediate · About 30 minutes · Version 1.0 · Updated 17 November 2026

Plan availability

Accounting and invoicing are in every plan. Projects and timesheets, and HR, need the **Enterprise** plan.

Who this is for

Consultants, agencies, contractors, repair shops, schools and other businesses that sell time and expertise instead of goods.

Modules you will use

Selling, Projects, HR (for staff and expenses), Accounting. Stock only if you also sell parts.

Set up, in this order

1. **Company, tax and chart of accounts.** See Creating and configuring your company.
2. **Service items.** Create each service as an item with **Maintain Stock** unticked, and with a rate. See Creating items.
3. **Customers.** See Creating and managing customers.
4. **Employees and activity types** with billing rates, if you bill by time. See Timesheets.
5. **Cost centres** for departments or branches. See Cost centres and accounting dimensions.

The job-to-cash flow

1. **Lead and quotation.** See Leads and opportunities.
2. **Project and tasks** once the client accepts. See Projects and tasks.
3. **Time and expenses** recorded against the project. See Timesheets and Expense claims.
4. **Invoice** by time, by milestone or at a fixed price. See Billing clients and tracking project costs.
5. **Collect** and follow up late payers.

Recurring work and retainers

Use **Auto Repeat** on the invoice for a monthly retainer. See Kanban boards, recurring documents and bulk tools.

Know your numbers

- **Profit by project.** Compare billed amounts and costs.
- **Utilisation.** What share of staff hours is billable.
- **Outstanding invoices.** Services often have long payment delays.

Tax

Most services are standard-rated for VAT, but some are exempt. Withholding tax commonly applies to professional fees paid to you or by you. See VAT and Withholding tax and turnover tax.

Tips

- Agree the scope and the billing terms in writing before you start.
- Record time on the same day.
- Put the project on every cost, or the margin will look better than it is.

Common mistakes

- Billing late, so cash flow suffers.
- Under-recording non-billable time.

Next steps

Read the business owner guide.

Related documentation

- Projects and tasks
- Timesheets
- Billing clients and tracking project costs
- Kanban boards, recurring documents and bulk tools