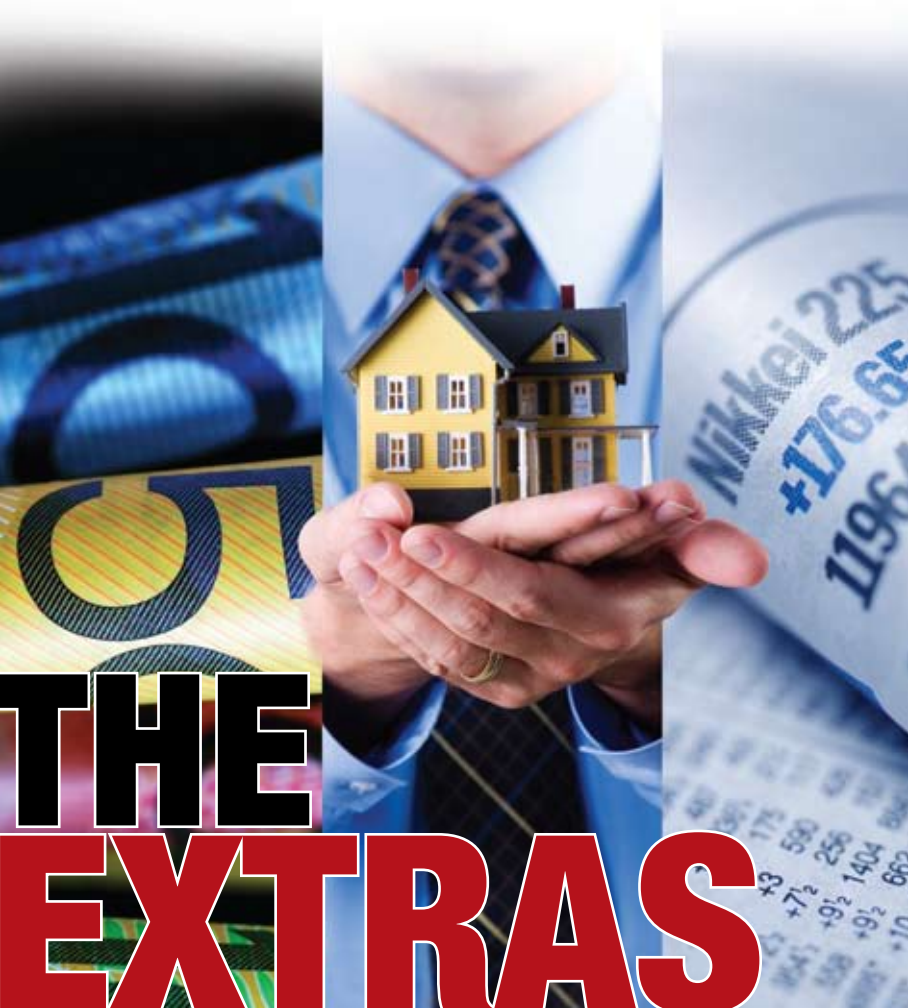


B MONTHLY AUDIO PROGRAM **BUSINESS** **ESSENTIALS**

SEPTEMBER 2008



THE **EXTRAS**

Introduction



Economic volatility is of course confusing. Usually I've been a believer in not worrying too much about the big economic picture because one shouldn't ever lose sight of running one's own enterprise. Right now, however, there are some fundamental questions we need to consider that have a direct impact on our businesses. Do we invest now in shares or property or do we wait for the mystical bell to ring indicating the bottom of the market? Do we put our money in the bank while we wait? On this month's CD, we seek advice from Stock Doctor Tim Lincoln and his firm's CEO Elio D'Amato who, as Head of Research, keeps a close watch on the economy. And we talk to a man who has spent his life buying and selling property, John Fitzgerald. All three advise there are huge opportunities right now and we should be cautious about waiting for the bell because the turnaround, based on history, will be very quick when it happens.

An international adviser on business growth, Verne Harnish, on his way to Australia again this month, foreshadows some excellent opportunities in Australia which he outlines on the CD.

And among other items this month – a different angle on succession planning. Think beyond the next family member who should run the business, and rather look at the future of the enterprise and its potential profits. After all, the chances are the business will be for sale one day and then the profit is more important than the people. DC Strategy's Managing Director Adrian McFedries has some sound advice on that subject.

And we welcome again members of Family Business Australia, who are receiving the Business Essentials CD with their copy of the FBA's Generations magazine.

Enjoy this month's program and this edition of The Extras.

A handwritten signature in cursive script that reads "Michael".

Michael Schildberger
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THIS MONTH'S

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Track 2

WHERE DO I INVEST NOW?

Tim Lincoln & Elio d'Amato, Lincoln Stock Doctor.

- The Australian economy is still fundamentally strong despite continuing global uncertainty
- Timing a return to the stockmarket depends on investors' knowledge and experience
- "Drip-feeding" is a sensible approach if you're uncertain about when the market will bottom out
- Staying in cash provides certainty now, but won't offer long-term growth as the market picks up
- The current volatility could last 6 to 9 months, but no-one can predict the upturn with any certainty
- When the market does turn, history tells us it will move rapidly
- Keep it simple – do your homework, look for sectors and stocks with sound fundamentals and good prospects for growth

Track 3

PROPERTY: BUY NOW – OR WAIT?

John Fitzgerald, Custodian Wealth Builders

- When people talk about property sales being down, they're talking about the high end, not the lower or median level
- I think we'll have 10-12% rise in median sales 'til interest rates come down. Then it'll be a boom
- This year is my biggest buying and building time. I'm looking at 2009/10/11
- I buy new houses at the lower end – under \$400,000 – in capital cities
- I make sure the value of the land is at least 40-50% of the total purchase price
- The Golden Rule of buying property is that land appreciates, buildings depreciate

THIS MONTH'S

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Track 4

TAX REFORM PROSPECTS

Professor Neville Norman, Melbourne University & Michael Jones, Cummings Flavel McCormack

- NN: Scrap all work related deductions.
MJ: It might be simpler but you get inequities when you simplify too much
- NN: Change gifts from a deduction to a rebate... high income earners now get greater tax value
MJ: It's important to encourage people to make donations. For high income earners a tax incentive can be powerful
- NN: There'll be pressure to cut superannuation tax breaks
MJ: Super policy has to reflect the current needs of the community.
- NN: Most countries give an option of being taxed as a family or individual
MJ: It should be a choice
- NN: Treating and taxing trusts like companies will be discussed
MJ: It's back to front. Why not treat companies like trusts?
- NN: Radically increase tax penalties. The 200% maximum is rarely imposed
MJ: Effective enforcement is important instead of increasing penalties

Track 5

SUCCESSION PLANNING: PUT BUSINESS FIRST

Adrian McFedries, DC Strategy

- Succession planning should focus on where the business is going and its growth
- Understanding where the growth opportunities lie helps you choose the right people
- If the business is to be sold, it's important to prepare properly – up to 2 years ahead
- If it's being passed to the next generation, there's no guarantee they'll be right for the top job
- Take emotion out of it. Sometimes a couple of people need to swallow their pride

THIS MONTH'S

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Track 6

STEERING A NEW COURSE

Rob Pennicott, Bruny Island Charters

- Give your customers good value for money
- Balancing work and lifestyle is crucial to a well-run family business
- Put in a good management structure as the business starts to expand
- Look after the environment, especially if your business depends on it
- Employ people who share your passion – they'll become part of your extended family
- Don't get complacent – listen to customer feedback and try to do better
- Expand one step at a time – don't spread yourself too thinly

Track 7

GOING FOR GROWTH

Verne Harnish, US Author

- Attention to detail can keep the cash flowing as your business expands
- The world is about to see the biggest market expansion it's ever known
- A clear strategy is crucial to driving growth
- Perseverance and toughness will help get you through the difficult early years
- Discipline at all levels provides the launching pad for innovation
- Go global and get lean – watchwords for the future

Track 8

IMPROVING YOUR AVERAGE DOLLAR SALES

Tony Gattari, Achievers Group

- Create a package for clients so that you're not just selling a product
- Set goals for sales people and reward them if they meet the goals short term.
- NEVER discount
- Service only "A Grade" customers. They'll keep buying and recommend you to friends
- Stock a higher price range. Customers will usually buy the middle range
- Carry exclusive lines and make sure that sales people recommend them

THIS MONTH'S

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Track 9

5 STEPS TO ATTRACTING THE RIGHT STAFF

Jason Snell, Final5

- Understand what you are looking for
- Create the advertisement that will attract the candidates you are after
- Advertise in the right areas
- Move quickly with the candidates you like
- Ensure you “sell” your business to the candidates

Track 10

BEATING BURNOUT

Andrew May, Switched On

- You can't be at your peak all day every day – you need to switch off
- Stress-related claims are now outpacing every other workplace health problem
- Don't let technology rule your life
- Burnout warning signs: a short fuse, loss of creativity and passion, falling energy levels
- Physical activity, good food and regular sleep will help you work better
- Focus on the things you can control

i FOR MORE INFORMATION

about the topics discussed on this September 2008 program, please contact the relevant organisations as listed below.

WHERE DO I INVEST NOW?

Tim Lincoln & Elio d'Amato,
Lincoln Stock Doctor
T: 1300 676 332 or 03 9854 9444
Please contact Lincoln direct for details
about its Stock Doctor fundamental analysis
software or Managed Fund services
www.lincolnindicators.com.au

PROPERTY: BUY NOW – OR WAIT?

John Fitzgerald, Custodian Wealth Builders
T: 07 5527 4999
www.wealthbuilders.com.au

TAX REFORM PROSPECTS

Prof Neville Norman, Melbourne University
n.norman@unimelb.edu.au
Michael Jones, Cummings Flavel McCormack
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www.cfmc.com.au

SUCCESSION PLANNING: PUT BUSINESS FIRST

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growth@dcstrategy.com
www.dcstrategy.com

STEERING A NEW COURSE

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www.brunycharters.com.au

GOING FOR GROWTH

Verne Harnish, US Author
www.gazelles.com
www.goforgrowth.com.au

IMPROVING YOUR AVERAGE DOLLAR SALES

Tony Gattari, Achievers Group
T: 02 9440 7373
www.achieversgroup.com.au

5 STEPS TO ATTRACTING THE RIGHT STAFF

Jason Snell, Final5
T: 03 8526 6555
www.final5.com.au

BEATING BURNOUT

Andrew May, Switched On
T: 02 9690 0503
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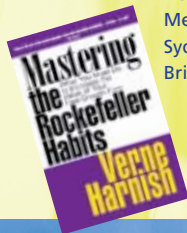
GO FOR Growth

What You Must Do to Increase the
Value of Your Growing Company

- Multiply cash flow and profits
- Drive your company to the next level
- Catapult your organisation ahead of competitors

Adelaide	Monday 15 September, 2008
Melbourne	Tuesday 16 September, 2008
Sydney	Wednesday 17 September, 2008
Brisbane	Thursday 18 September, 2008

"Verne is THE guru of fast growth companies. Those who listen GROW and SUCCEED...so listen...or read!" TOM PETERS



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What's on at AIM

AIM Victoria & Tasmania

Partners in Business - 'Women in Leadership'

The Partners in Business Luncheon is an annual event jointly hosted by the Law Institute of Victoria, the Australian Institute of Management, Financial Services Institute of Australasia and the Association of Professional Engineers, Scientists and Managers, Australia. It's a unique opportunity to meet professionals from a broad range of industries and hear high-profile speakers discuss key issues.

Join us as 'Women in Leadership' reveal their personal pathways to success.

Date: Thursday 16th October

Duration: 12.00pm - 2.00pm

Venue: ZINC at Federation Square, cnr Flinders & Swanston St Melbourne

Cost: AIM Member \$99
Non-Member \$120
Member Table of 10 \$950

Bookings: Phone (03) 9534 8181 or visit aimvic.com.au/events

AIM NSW

A Framework for Achieving Real Sustainability Corporate Social Responsibility Professional Network Forum

Speakers: Ronald Forbes, Director, Leaderskill Group and Peter Hoskins, Principal, Woods Bagot's Defence Consulting Division.

This presentation will assist you in moving your organisation towards sustainability - & proving the progress that you make.

Part 1 will focus on Planning for Sustainability. Part 2 is a case history from the Woods Bagot Defence Consulting Division's experience.

Date: Tuesday 2nd September

Duration: 6.30pm - 8.00pm

Venue: AIM NSW, 215 Pacific Hwy, North Sydney

Cost: AIM Member \$0
Non-Member \$45

Bookings: Phone 1300 651 811 or visit aimnsw.com.au

International Speaker

Professor Jeffrey Pfeffer 'The hard facts and dangerous half-truths of management'

The best organisations have the best talent. . . Financial incentives drive company performance. . . Firms must change or die.

Popular adages like these drive business decisions every day. Yet too much common management "wisdom" isn't wise at all. Instead, unsubstantiated knowledge based on "best practices" such as these can actually prove to be poor, incomplete, or obsolete. Worse, legions of managers use this dubious "knowledge" to make decisions that are hazardous to organisational health. The facts about what works are out there. So, why don't managers use them?

Professor Jeffrey Pfeffer, from the Stanford Graduate School of Business, will illustrate how your managers can make better decisions if they draw on evidence of what works elsewhere, as well as within your own organisation.

Melbourne Details

Date: Tuesday 18 November

Duration: 9.00am - 4.30pm

Venue: Level 2 Auditorium, Melbourne Exhibition Centre, 2 Clarendon St, Southbank

Cost: Early bird (*before the 12th September*)
AIM Member \$660
Non-Member \$760

Bookings: Call (03) 9534 8181 or visit aimvic.com.au/events

Canberra Details

Date: Monday 17 November

Duration: 9.00am - 4.30pm

Venue: Federation Ballroom, Hyatt Hotel, Commonwealth Ave, Canberra

Cost: Personal Member: \$795
Corporate Member \$895
Non-Member \$995

Bookings: Call 1300 651 811



Accountants Who Help You See Further

Cummings Flavel McCormack are accountants who provide specialist business advice to business owners.

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- Preparation of financial statements
- Strategies to increase profits

For more information contact
Neil Flavel on: 03 9252 0800
or email: nflavel@cfmc.com.au

see further

CFMC KEY TAX DATES SEPTEMBER & OCTOBER 2008

21 Sep	Aug 2008 monthly activity statement: final date for lodgment and payment
21 Oct	Sept 2008 monthly activity statement: final date for lodgment and payment; Annual PAYG instalment notice: final date for payment. If using the rate method or varying the amount, lodgment
28 Oct	Quarter 1(July-Sept) activity statements: final date for lodgment and payment; Quarter 1(July-Sept) GST instalment notice: final date for payment and if varying GST amount, lodgment; Final date for electing to pay GST by instalment; Final date for not electing to pay GST by instalment; Quarter 1(July-Sept) PAYG instalment notice: final date for payment and if varying instalment amount, lodgment; Quarter 1(July-Sept) Superannuation guarantee contribution: final date for payment
31 Oct	PAYG withholding where ABN not quoted annual report: final date for lodgment; PAYG withholding from interest and dividend payments to or for non-residents annual report: final date for lodgment; Income tax return for individuals, trusts and partnership: final date for lodgment
02 Nov	Annual GST return: final date for lodgment and payment

Send in a tax problem – be in the running to **WIN A BOTTLE OF WINE!**

If you email me your tax problem I will send you an answer. If the problem is of general interest I will discuss it on the Business Essentials program (in an anonymous way). Whoever submits the tax problem that I judge to be the most interesting for the Business Essentials audience will **WIN an excellent bottle of wine from Dominique Portet's Yarra Valley winery.** That way you are ready to either celebrate or commiserate when you get the answer.



Michael Jones,
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Imagine if you could learn from a man who was instrumental in building an international franchise in over 33 countries in less than 11 years...

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Two giants of the business world have combined to bring you a business education program that you have never experienced before.

The 2-Day Ignite Program will give you Real Education, by Real Business People, who have achieved Real Results.

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Have you heard of Gloria Jean's Coffees?

Have you ever wanted to know how they were successful? What were the tips and strategies that grew their businesses into household names that you see today?

For 2 days you will be trained by **Australian businessmen** – that's right not more American speakers – **Tony Gattari and Peter Irvine**, two men who respectively built Harvey Norman Computers and Communications and Gloria Jean's Coffees into the powerhouses they are today.

Who should attend the Ignite Program?

No matter what stage your business is at you will instantly benefit from the **Ignite Program**.

- Want to start a business but don't know how – **The Ignite Program is for You**
- You are in the early stages of business and you are burning a lot of cash – **The Ignite Program is for You**
- Your business has gone through the infancy stage and now you want to build a profitable enterprise without you doing the day-to-day stuff – **The Ignite Program is for You**
- You are a manager in company that seems to need new ideas and new ways of growing fast – **The Ignite Program is for You**
- Sales and profits have been eaten away by your competition and now you want to grow your business rapidly – **The Ignite Program is for You**
- Want to grow your business nationally or even internationally – **The Ignite Program is for You**

The Strategies you will learn that will Ignite your Business Success

This is not another two day junket delivered by some representatives of companies who are presenting on a topic because their company paid tens of thousands of dollars in sponsorship for the privilege. This is a real program, delivered by people who have done the hard yards and built businesses from scratch.

Not only have they built businesses...they have built multinational enterprises.

Here is what you will learn at the **Ignite Program**:

- Rapidly increase your profits through low cost marketing strategies

- The key drivers that will rapidly improve the cash flow of your business
- Systemise your business to support and sustain growth
- Development of human resource systems for recruiting, training, and motivating the right employee
- Earn \$10,000s or even \$100,000s in profit through only a 30 minute meeting
- How to overcome all the obstacles in your business life by having a winners mindset
- Learn powerful sales techniques that will close more sales and increase your average transaction

Peter Irvine



Peter Irvine has over 40 years experience in business at a high profile level. In 1996 Peter established Gloria Jean's Coffees franchise in Australia with his business partner Nabi Saleh, and in the space of 10 years built a business which is in over 30 countries around the world and more than 850 coffee houses.

Tony Gattari



Tony was General Manager for Harvey Norman Computer and Communications Division where he oversaw the growth of the division from \$12 million to \$565 million in 9 years.

Tony is also the co-author of ***The Pillars of Business Success***, ***Marketing Success*** and is a contributor for ***Secrets of Top Sales Professionals Exposed*** and ***Secrets of Marketing Experts Exposed***.

Other Important Details

Location: Crowne Plaza
30 Phillip St, Parramatta, NSW 2150

Day 1: Thursday 9th October (9.00am – 5.00pm)

Day 2: Friday 10th October (9.00am – 5.00pm)

To keep your investment down, we are only offering morning and afternoon tea. Being in the heart of Parramatta food district, there are plenty of places to sit down and have a great lunch.

Your Investment

\$597 inc. GST.

For bookings, please contact Erin (02) **9440 7373** (Group discounts available for 5 or more people for one company).

For more details, please visit the website: www.achieversgroup.com.au/ignite_program.html or contact Tony Gattari on **0410 538 521**

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