

MONTHLY AUDIO PROGRAM

B **BUSINESS** **ESSENTIALS**

AUGUST 2007



THE **EXTRAS**

Introduction



We're often told we should focus only on our customers who deliver the best profit. Indeed we should try hard to lose those who actually cost us money, sometimes referred to as "toxic" customers. And when we go marketing for new customers we should only search for the minority who will produce profit for us. We know that all makes business sense – but do we know how to capture profitable customers? With sound advice is Tony Gattari, Managing Director of Achievers Group. You'll hear him on this month's CD and he also has an offer in this Extras booklet.

We can all gain advice from those who have achieved business success in their own right. Sometimes success comes in unusual forms. A classic example is the story of Steve Scrogings who, after going broke a few times, has travelled along a most unorthodox path to success -- defying those who argue we should always stay with our core business, Steve has built a successful business called Chefs

on the Run. More than providing chefs he now offers models and a security service. You'll also hear his unusual story on the CD.

When you listen to Steve Scrogings you'll note how much he obviously enjoys what he does. And that of course is an important ingredient in being successful. Author of many books on business Andrew Griffiths discusses the subject of having a life and a business on the CD.

I hope you enjoy the CD and this booklet.

Michael Schildberger
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THIS MONTH'S

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Track 2

CAPTURING YOUR MOST PROFITABLE CUSTOMERS

Tony Gattari, Achievers Group

- Often we want the big customer without understanding how much it costs us
- We can often make more money by selling to smaller accounts
- Don't mistake turnover for profitability
- Try to grade your customers. A is "awesome", B is "basic", C is "can't deal with" and D is "dead"
- When you understand the characteristics of your good customers you can go out and find more of them
- Too often the business controls the owner, not the other way around
- Don't be afraid to "sack" a bad customer.

Track 3

ELECTIONS AND THE ECONOMY

Prof Neville Norman, Melbourne University

- Elections and electoral outcomes impact on the economy and business
- It's often adverse – retail sales especially, mostly just short term
- Biggest business risk: new structural policy changes unfriendly to business and enterprise, especially those not well thought through. Worst example: 1970s
- Risk factors: wealth tax, super tax reversions, uncorrected fiscal drag
- Performance of the Howard Government since 1996: no recession, weathered Asia crisis, 9/11, SARS. BUT: rate rises, house price acceleration, poor productivity outcome
- Policy initiatives: GST, new IR system, tax and super changes; but omissions – especially re. small business
- Better economic manager? Huge pressures on an ALP alternative to manage short-term movements in the economy as well as the Howard Government has done. Example: Hawke Government. However, uncertainties over IR, green policy, high-income and high-wealth tax treatments.

Quiz question: Constitutionally, how long can there be between elections? Answer: 3 years after the return of writs – which can be up to 4 months after 3 years.

THIS MONTH'S

ESSENTIALS

Track 4

UNORTHODOX PATH TO SUCCESS

Steve Scrogings, Chefs On The Run

- I returned from Alaska after failing five times to start an Australian restaurant
- As a chef, I noted the standards in the Australian hospitality industry: Chefs with long hair, no discipline, no education etc. Then I decided to market myself as a chef on call
- I wore a suit and started learning business skills by day, cooking at home by night
- I called in favours in the food industry, then it became word of mouth and I gained great marketing exposure doing “silly things” to get media coverage
- Chefs On The Run goes everywhere in Australia and now is branching into the security, modeling and horse racing industries
- Biggest lesson in business? Trust your gut feeling.

Track 5

THE SILENT KILLER IN YOUR WORKPLACE

Sarah Allen, Appliance Tagging Services

- Out of sight, out of mind make electrical faults a very serious hazard
- There's a huge demand now for electrical testing and tagging
- All businesses should develop an electrical safety management program
- There are legal requirements in many States and all employers have a duty of care
- Documented evidence will lessen the pain of litigation or an investigation
- Getting experts to help is a great deal easier and more cost effective
- With the help of DC Strategy, Appliance Tagging Services is franchising
- Compliance and consistency issues have made the franchise model unusual
- The franchisees are seen as long-term business partners. Their success is our success.

THIS MONTH'S

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Track 6

MANAGING BUSINESS SECRETS

Paul Brennan, Brennans Solicitors

- There's an implied duty to keep things in a business secret
- It would be wise to include a confidentiality clause in employment contracts
- Restrict yourself to the secrets that really count – don't be too general
- Your rights over consultants are one step removed – beware
- For a breach of confidentiality to become actionable, the courts will consider the degree of confidentiality, how it was given, and was it used to the detriment of your business
- Injunctions are not given lightly and can be very expensive – many people get involved
- Before going through the courts, consider carefully if the stolen secrets are really important to your business. Don't just act on hurt pride.

Track 7

MANAGING OUTSOURCED CONTRACTS

Cyril Jankoff, Business Education and Consulting

- Outsourcing lets us focus on what we do best, it saves resources, gives us flexibility, reduces risk and helps us expand our repertoire of goods and services
- Watchouts: poor selection of the other party, documentary problems, lack of understanding about what's involved, lack of monitoring of the agreement
- Follow 3 stages: negotiations; legal aspects; business management
- Make sure the relevant parties know what's in the contract
- Keep an eye on the risks and the contractor
- At the end of the contract, summarise for the next time.

Track 8

SUPER OPPORTUNITIES WITH CGT CONCESSIONS

Michael Jones, Cummings Flavel McCormack

Business owners can make super contributions up to \$1m using the proceeds from the disposal of qualifying small business assets

Small Business tax concessions: 3 fundamental tests:

- Active asset (an investment property is not an active asset, but a property used in a business and rented from a related entity is an active asset)
- The asset sold is subject to CGT (some IP such as software is a depreciating asset for tax purposes and not subject to CGT. Pre-CGT assets are OK and losses do not prevent a super contribution) →

Track 8

SUPER OPPORTUNITIES WITH CGT CONCESSIONS...cont'd

Michael Jones, Cummings Flavel McCormack

- Taxpayers must satisfy the \$6m net asset value test.
The \$6m test:
- Your net assets less home, super and other personal assets plus
- Your spouse's connected assets plus
- The assets of entities you control (control means 40% ownership or more)

50/50 partnership with assets worth \$8m means \$8m is included in each partner's calculation

Track 9

SHAREMARKET UPDATE

Tim Lincoln, Lincoln Stock Doctor

- Concerns about rising bond yields and the sub prime lending market in the US has caused a slight impact – only short term
- Large sums of money are now flooding into super
- Investors need to decide on the tools, services and advice they need
- Investing in blind faith can lead to disaster
- It's time to gear up for the next reporting season
- Stand out performers: BHP, Rio, Seek, Bradken, JB Hi-Fi, Monadelphous, QBE and St George.

Track 11

HAVE A BUSINESS AND A LIFE

Andrew Griffiths, The Marketing Professionals

- I learnt the hard way the importance of balance
- We need to understand our enemies - eg over-commitment and never saying No
- Remember the F factor – fun is very important
- Beware of being perfectionist – loosen up a bit!
- Health is all important - and means a healthy business too
- Men and women have different balancing needs.

i FOR MORE INFORMATION

about the topics discussed on this August 2007 program, please contact the relevant organisations as listed below.

CAPTURING YOUR MOST PROFITABLE CUSTOMERS

Tony Gattari, Achievers Group

T: 02 9440 7373

W: www.achieversgroup.com.au

See back cover of this Extras booklet for Tony Gattari's special offer to BE subscribers

ELECTIONS AND THE ECONOMY

Prof Neville Norman, Melbourne University

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UNORTHODOX PATH TO SUCCESS

Steve Scrogings, Chefs On The Run

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PROTECTING BUSINESS SECRETS

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MANAGING OUTSOURCED CONTRACTS

Cyril Jankoff, Business Education and Consulting

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www.busedconsulting.com

Contact AIM direct at www.aimvic.com.au for details about the contract management courses run by Cyril Jankoff at telephone Cyril direct on 0414 819 157

SUPER OPPORTUNITIES WITH CGT CONCESSIONS

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SHAREMARKET UPDATE

Tim Lincoln, Lincoln Stock Doctor

Website: www.lincolnindicators.com.au

Please contact Lincoln direct for details about its Stock Doctor fundamental analysis software or Managed Fund services.

T: 1300 676 332 or 03 9854 9444.

Ms MEGABYTE'S COMPUTER TIPS

W: www.getmega.com

HAVE A BUSINESS AND A LIFE

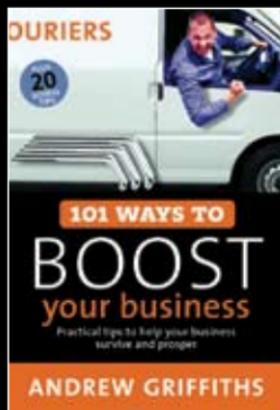
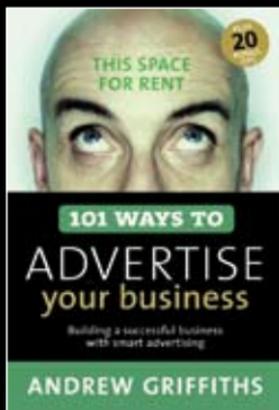
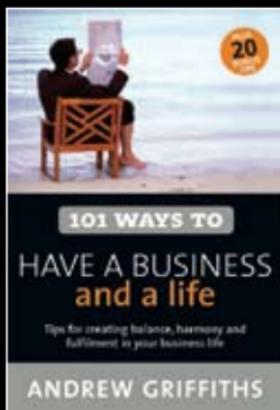
"101 ways to have a business and a life" is written by Andrew Griffiths, The Marketing Professionals, and published by Allen and Unwin. RRP: \$24.95

info@andrewgriffiths.com.au

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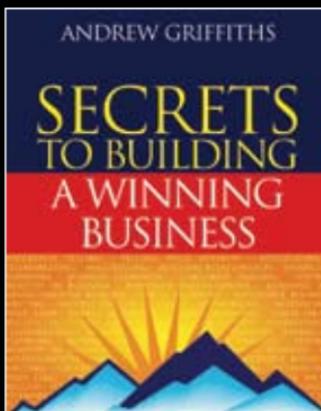
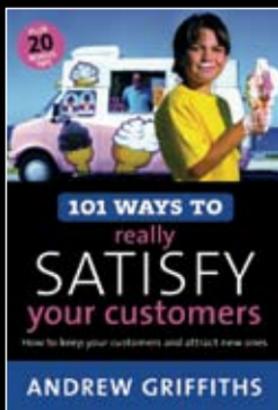
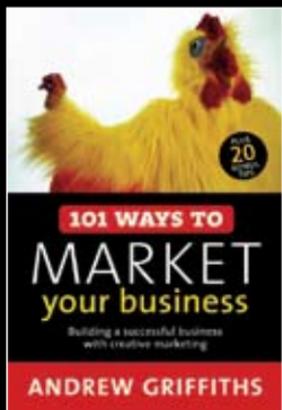
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What's on at AIM

AIM Victoria & Tasmania

AIM & ANZIIF present *Geoffrey Rush*

For anyone fearing that life after 40 is a slow and mortifying descent towards death, the story of Geoffrey Rush must be a real heart-warmer. Engaged in a decades-long battle to keep theatre alive, he was utterly unknown to the outside world until he nabbed an Oscar for his stunning performance in *Shine* and jumped straight to the top of the Hollywood ladder. Geoffrey is honoured to be Patron of the Spina Bifida Foundation of Victoria and all proceeds from this event will be donated to the charity.

Date:	Tuesday 14 August
Time:	7am - 9am
Venue:	RACV Club, 501 Bourke St, Melbourne VIC
Cost:	AIM Members \$80 Non Members \$100
Bookings:	Phone (03) 9534 8181 or visit aimvic.com.au/events

AIM Western Australia

A Fragile Future or a Key to a civil society - The Future of the Charitable Community Sector in Australia

Members and guests are invited to attend an informative Business Leaders Breakfast with Ian Carter, CEO Anglicare WA. The world has changed rapidly and exponentially as technology and globalisation swamp us all. In this timely address Ian Carter will talk about the challenges confronting the not-for-profit, charitable community sector in Western Australia.

Date:	Tuesday 11 September
Time:	7.15am - 9am
Venue:	Leadership Centre, AIM 76 Birkdale St, Floreat, WA
Cost:	Professional Members \$44 Affiliate Members \$66
Bookings:	Visit aimwa.com.au or call Client Services Centre on (08) 9383 8000

AIM Canberra

How Leaders Communicate: Strategies for Creating Change

Communication is not a magic bullet but the effective leader understands how to design and integrate messages with the behavioural tools that forge the work of change. Peter Thompson is the presenter of ABC TV's "Talking Heads" and is a Fellow of the Australian and New Zealand School of Government, where he teaches executive programs on strategic communication. He has advised private and public sector clients on communication for nearly 30 years.

Date:	Tuesday 21 August
Time:	12pm - 2pm
Venue:	National Press Club of Australia, ACT
Cost:	AIM Members \$80 Non Members \$105
Bookings:	Visit aimcan.com.au or call 1300 651 811

AIM NSW

AIM Management Convention 2007: 'AIM HIGH! The Effective Manager in Action'

Experience 40 of the world's leading management minds including Tom Peters, Marshall Goldsmith, David Morgan, Sam Mostyn, Dexter Dunphy, David Maister and Steve Lundin. With its strong emphasis on the practice, as distinct from the theory, of management, this event will help you improve your effectiveness, leaving you with a better understanding of both 'what to do' and 'how to do it'.

Date:	September 16-19
Time:	Please refer to website for program details
Venue:	Sydney Convention Centre
Cost:	Members \$2,795 Non Members \$3,295
Bookings:	For more information or to make a booking visit aimconvention.com.au

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Yours sincerely,

Tim Lincoln
Managing Director
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or email: nflavel@cfmc.com.au

see further

Business owners can make super contributions up to \$1 million using the proceeds from the disposal of qualifying small business assets.

CFMC KEY TAX DATES FOR AUGUST AND SEPTEMBER 2007

14 Aug **Annual PAYG withholding payment summary**
- final date for lodgment

21 Aug **July 2007 monthly activity statement**
- final date for lodgment and payment

28 Aug **Quarter 4 (April- 30 June 2007)
Superannuation Guarantee Charge Statement**
- due date for lodgment & payment

21 Sep **August 2007 monthly activity statements**
final date for lodgement and payment

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If you are contemplating an opportunity or problem, why not call us.

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Successfully establishing a business is just the first of many challenges for business owners. The ability to scale to a national brand whilst ensuring sustainability and profitably requires structure, robust processes, capital and management commitment.

The Business

Big Dad's Pies is a family-owned and operated business founded by Stephen Donnelly in Ipswich, Queensland in 2002. The success of the first Big Dad's Pies stores prompted Stephen to consider developing a national brand through franchising. Following the grant of the first franchise the network grew rapidly with a combination of both company-owned and franchised stores and currently exceeds 30 stores.

The Challenge

The challenge for Big Dad's Pies was to develop a strategic growth plan to enable the growth of a national network. This plan needed to address key challenges including developing the optimum infrastructure to drive and support growth, implementing best practice systems, determining cash flows and capital requirements and enhancing the core owner-operator model to facilitate stronger growth.

The Solution

Big Dad's Pies engaged DC Strategy for expert advice on growing a national network. An economic review of the network clarified the business scalability and determined the capital requirements for expansion. A growth strategy was developed and appropriate management structure defined. The business governance structure enabled has provided the foundation for the future growth for an international network.

The Outcome

Big Dad's Pies now has a clearly defined growth plan and management is confident of the steps required to achieve its objectives. The group's corporatisation has enabled its ability to leverage the benefits of entrepreneurialism. Big Dad's Pies is now in a position to build on its strong foundation in Queensland to drive growth across Australia and globally in a controlled and structured manner.

If you are contemplating an opportunity or problem, why not call us.



Ms Megabyte

For more hints and tips and to join my free newsletter, visit www.getmega.com. If you liked this tip, you will also be interested in my extensive online lesson library at www.conquyourcomputer.com.au.



MP3 files are not just for music!

I don't have a digital music player, but my phone does have the ability to store music. I must tell you, I haven't listened to music on it at all – I've uploaded the last couple of issues of Business Essentials plus a few CDs from professional speakers and professional development gurus and I listen to them when I'm walking or at the gym.

How to put music on it?

If you haven't done so already – stick a CD into the drive at the front of your PC. In most cases, either Windows Media Player or iTunes will pop up. If not, download from Microsoft or Apple respectively.

Taking music from a CD onto the PC is called RIPPING. The ripping process will probably start automatically, but if not – in Windows Media Player click Rip along the top. Click the box next to each track you want to 'rip' and click Start rip.

With iTunes, you'll be asked whether you'd like to import the CD into your Library. Clicking Yes will start the ripping process.

THEN , plug in your MP3 player. It will pop up in the list of devices in Media Player or iTunes, dragging the tracks from your library to the player.

Sometimes, you'll find the MP3 player doesn't give useful names to the tracks from a CD – they all seem to be called Track 1, or track 10 appears between 1 and 9. In this case, go to Windows Explorer, navigate to the MP3 player and right click on the file name and choose Properties. Go into Details along the top and click to change the Track name.

Website

www.mytickets.com.au will give you venue details, ticket prices and a click through to the ticket seller for any event. There are almost 10,000 events listed.

Shortcut

Windows Vista – Instant Search.

Looking for all files/emails about a particular client? Click the Start button and type the client name into the search box. Just wait, without pressing Enter. The Instant search function will give you a quick list of any files or emails that relate. If you want more, click 'see all items'.

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3. We will also give you an idea of various business initiatives you can undertake to enhance your results.

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