

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

JANUARY 2008



**THE**  
**EXTRAS**

# Introduction



So often we're reminded we should spend more time on our business rather than in it. But we're always too busy! During a holiday period however we can afford to think ahead and plan the coming year. To help you we have included some interviews this month to provide some inspiration. For example, Tim Pethick of innovation company ?What If! advises us to think differently and tells us how. He says we can't expect everything to continue along the same lines, however successful we might have been over the years, because all is continually changing around us.

And while we're in a planning mode we might like to think about whether we're getting the best deals on our mortgages, insurance, phones, internet and other business expenses. Chances are we're paying too much but we don't have the time or the inclination to figure out the best deals. A new company has just been established which offers to examine our requirements – free. Called Save On

Bills, it's headed by Luke Neale who has spent the last couple of years putting it all together. He is now gathering franchisees who will provide a personalised service around Australia. Luke explains on this month's program. He could save us all considerable unnecessary expense.

And as we look ahead, this is the month when Professor Neville Norman gives us his economic forecast for the year. The outlook seems good again but there are some warning signs.

Take note of a range of advice you'll hear this month and look for the printed summaries in this Extras booklet.

All of us at Business Essentials wish you a successful and enjoyable 2008.

A handwritten signature in cursive script, appearing to read 'Michael'.

Michael Schildberger  
Managing Director

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THIS MONTH'S

# ESSENTIALS



## Track 2

### THINK DIFFERENTLY!

Tim Pethick, ?What If!

- Entrepreneurs spot the opportunity to do something differently that impacts positively on the customer
- Nudie's success was because everything in the chain was strong – from the company name and brand, to its emotional engagement, stand-out design and the company's approach to customers
- ?What If! helps companies innovate - through training plus an inventing team to help create new products, business models and paths to market
- We start with the notion that we need to build solutions around genuine customer sentiment
- Many businesses are not in touch with their customers – and market research doesn't always provide the answers
- Put yourself in your customers' shoes to find out how accessible you are

## Track 3

### ECONOMIC FORECAST 2008

Professor Neville Norman, Melbourne University

- Growth 3.4% (slowing from latest 4.4% and 10-year average of 3.2%) 1.8% (bad US prime continuation and slower China) – to 4.5% range
- CPI Inflation up to 3.2%. (2.9%. 2.7% ave.) 2.5% - 5.1% range.
- Unit labour costs up to 4.1% (3.6%, 2.1% ave.) 3% – 6.5% band
- RBA Interest Rates up to 7% (6.5%, 5.4% ave.) 5.75 - 8.5% band
- US Exchange Rate down to 85c (88c, 64c ave.) 70c - 110c band
- "Tax cuts in May '08" certain with Budget surplus surging to \$20b.

Why is another rate rise now seen as a near-certainty?

- Activity growth measured by GDP is stronger than expected
- Cost pressures plus demand pushed CPI growth over the 3% mark
- Budget restraint more directly cools the economy. Not likely in 2008.
- New psychology: predict rate rises and make them a certainty by pressuring the RBA into a corner. This is dangerous!

**Conclusion:** 2008 will be recorded as another "good year" for business. But it carries warning signs from cost and price pressures. Business message: Increase risk protections.

**Quiz:** When was the last 'recession' in Australia? **Answer** – March and June quarters of 1991 – that's nearly 17 years ago!

THIS MONTH'S

# ESSENTIALS

## Track 4

### **BUILDING A NATIONAL BRAND**

Janine Allis, Boost Juice

- There's no single reason why Australian companies don't achieve our success, but too many grow too quickly, and take too many risks
- Luck and timing are important but not enough companies have the passion and belief to succeed
- We have many franchises but we still have 30 company stores which provide the example for franchisees
- In any business, you must listen to your customers
- We constantly want to improve ourselves – for example, creating new product

## Track 5

### **POOR MANAGERS WILL RUIN YOUR BUSINESS**

Quentin Jones, Human Synergetics

- The defining characteristic of great management is achievement
- Australian managers aren't measuring up – they shift blame, focus on what's wrong not right, are controlling and authoritarian, protective of their own status and constantly seek approval
- X and Y generations want integrity. Managers need to walk the talk
- Great managers are preoccupied with standards of excellence
- They have self-set goals and require empowerment
- High achievers believe in cause and effect. They don't leave success to chance or good luck
- They are believers that every effort makes a difference
- They desire feedback – The "breakfast of champions"

THIS MONTH'S

# ESSENTIALS



## Track 6

### **FAMILY ATTITUDE!**

Lance Deacon, Dyson Group

- Good healthy debate improves the decision-making process
- Understanding our key roles has been a big factor in our success
- The two external members of the board have been very important in helping us through tough times and good times
- People become “dysonised”: The family culture has spread and we now have other families working in the company
- Through FBA we've set up cadetships to help bring the 4th generation on board
- A stand-out feature of our success: Each of us understands our position in the company, and accountability. There's no room for buck-passing

## Track 7

### **BE SURE YOU'RE NOT PAYING TOO MUCH**

Luke Neale, Save On Bills

- The company has undergone an evolutionary process, from online business to franchise operation
- The main areas of savings are in insurance, telecommunications and finance
- The service is free to customers and most times it will save you money
- Consultants will be trained, mobile and offering personalised service
- Tips: Never assume that your bills are correct; avoid signing up for more than 12 months; check out the company that installs free light bulbs
- We're chasing a blue ocean strategy

## Track 8

### **BORROWING IN YOUR SUPER FUND - THE NEW ERA!**

Michael Jones, Cummings Flavel McCormack

- New rules allow super funds to borrow using instalment warrants
- There is limited recourse for lenders and higher interest charges
- This is available for assets that can already be acquired by self-managed super funds e.g. shares and property
- Super funds would most likely need to provide 50% or more
- A non geared unit trust may be a cheaper alternative
- Check stamp duty treatment

Track 9

## SHAREMARKET UPDATE

Tim Lincoln, Lincoln Stock Doctor

- Expect a strong 2008 – all the economic ducks are lined up!
- The major global indices have struggled in 2007 – the Australian All Ords is the exception and has outshined them all
- Golden Rule No 2: management assessment – the ability to grow profitability from an asset base. Stock Doctor looks for an 8% return p.a.
- For banks and insurance companies, we seek a 14% return on equity and 12% earnings per share growth
- All the banks previously listed as Star Stocks are now out
- Also dropped, Orica and Zinifex
- Star stock highlights: BHP, Bradken, Fleetwood, JB Hi-Fi, Leighton Holdings and Seek. Our favoured insurance company: QBE
- The Lincoln managed fund is again No 1 – out of 460+ large cap managers

Track 11

## WHY WE ALL NEED SYSTEMS, COURTESY AND FAILURE!

Kirsty Dunphey, author, "Retired at 27. If I can do it anyone can"

- We all need to fail. It means we're trying new things and it's a great way to learn
- We all need systems. Don't let integral parts of the business remain in staff's heads
- Systems also help disentangle the identity of the owners from the business – which makes the business easier to sell when the time's right
- Timing the sale of a business needn't depend on getting maximum value. It's when the time is right for the owners
- Punctuality is just one of many important courtesies, like sending thankyou cards and showing respect

# FOR MORE iNFORMATION

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

## THINK DIFFERENTLY!

Tim Pethick, ?What If!

T: 02 9577 0100

[www.whatifinnovation.com](http://www.whatifinnovation.com)

## ECONOMIC FORECAST 2008

Prof Neville Norman, Melbourne University

[n.norman@unimelb.edu.au](mailto:n.norman@unimelb.edu.au)

## BUILDING A NATIONAL BRAND

Janine Allis, Boost Juice

[www.boostjuice.com](http://www.boostjuice.com)

## POOR MANAGERS WILL RUIN YOUR BUSINESS

Quentin Jones, Human Synergistics

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## BE SURE YOU'RE NOT PAYING TOO MUCH

Luke Neale, Save On Bills

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## BORROWING IN YOUR SUPER FUND – A NEW ERA!

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## SHAREMARKET UPDATE

Tim Lincoln, Lincoln Stock Doctor

[www.lincolindicators.com.au](http://www.lincolindicators.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

[www.getmega.com](http://www.getmega.com)

## THE NEED FOR SYSTEMS, COURTESY – AND FAILURE!

Kirsty Dunphey, author, "Retired at 27.

If I can do it anyone can"

[kirsty@kirstydunphey.com](mailto:kirsty@kirstydunphey.com)

[www.kirstydunphey.com](http://www.kirstydunphey.com)

See Kirsty's offer on page 12 of this Extras booklet for purchasers of her book.

The book can be purchased online at

[www.unleashedknowledge.com](http://www.unleashedknowledge.com)



## Accountants That Help You See Further

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- Preparation of financial statements
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**For more information contact Neil Flavel on: 03 9252 0800 or email: [nflavel@cfmc.com.au](mailto:nflavel@cfmc.com.au)**

**see further**



The small business tax concessions are designed to remove tax from the sale of your business. If you think they do not apply to you – think again!

## CFMC KEY TAX DATES JANUARY 2008 AND FEBRUARY 2008

**15 Jan 08 Large to medium companies, superannuation funds and trusts:** income tax returns due date for lodgment.

**21 Jan 08 December 2007 monthly activity statements:** final date for lodgment and payment.

**28 Jan 08 Superannuation guarantee contributions for Quarter 2** (1 October - 31 December 2008) due for payment.

**21 Feb 08 January 2008 monthly activity statement:** final date for lodgment and payment.

**28 Feb 08 Annual GST return:** final date for lodgment and payment  
**Income tax returns for companies and superannuation funds which were not due at an earlier date:** final date for lodgment.

**Large to medium trust which were non-taxable in the prior year:** income tax returns due for lodgment.

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# What's on at AIM

## AIM Victoria & Tasmania

### *Effective Communication*

Good communication skills can be learned. The focus is on you and what you will do to keep in touch with those important people around you. This course provides you with a range of communication techniques and strategies to become a more effective and confident communicator.

<b>Date:</b>	<b>Tuesday 22 January</b>
<b>Duration:</b>	<b>2 consecutive days: 9am - 5pm</b>
<b>Venue:</b>	<b>AIM Management House 181 Fitzroy Street, St Kilda VIC</b>
<b>Cost:</b>	<b>AIM Members \$1,045 Non Members \$1,160</b>
<b>Bookings:</b>	<b>Call (03) 9534 8181 or aimvic.com.au/coursedirectory</b>

## AIM Western Australia

### *Why Should Anyone Be Led by You?*

Professor Rob Goffee from the London Business School returns to Perth in 2008 to present the results of 10 years of research with organisations across the globe, where he asked a simple question – “Why would anyone want to be led by you?”. The results reveal four qualities that distinguish the good leaders from the great.

<b>Date:</b>	<b>Tuesday 12 February</b>
<b>Time:</b>	<b>9am - 12.30pm</b>
<b>Venue:</b>	<b>Burswood Entertainment Complex Great Eastern Highway, Burswood WA</b>
<b>Cost:</b>	<b>Professional Members \$451 Affiliate Members \$550</b>
<b>Bookings:</b>	<b>Call (08) 9383 8000 or visit aimwa.com.au</b>

## AIM New South Wales

### *Happiness at Work: Creating Personal and Professional Wellbeing*

During this half-day seminar Dr Martin Seligman will explore the links between Signature Strengths, Authentic Happiness, increased employee engagement, physical health, and greater productivity. He will demonstrate ways that organisations can integrate the Signature Strengths of their employees with the goals and productivity demands of the organisation.

<b>Date:</b>	<b>Friday 22 February</b>
<b>Time:</b>	<b>9am - 12.30pm</b>
<b>Venue:</b>	<b>Grand Ballroom, Four Seasons Hotel, 199 George St, Sydney</b>
<b>Cost:</b>	<b>AIM Members \$795 Non Members \$895</b>
<b>Bookings:</b>	<b>Call 1800 651 811 or visit aimnsw.com.au</b>

## AIM Canberra

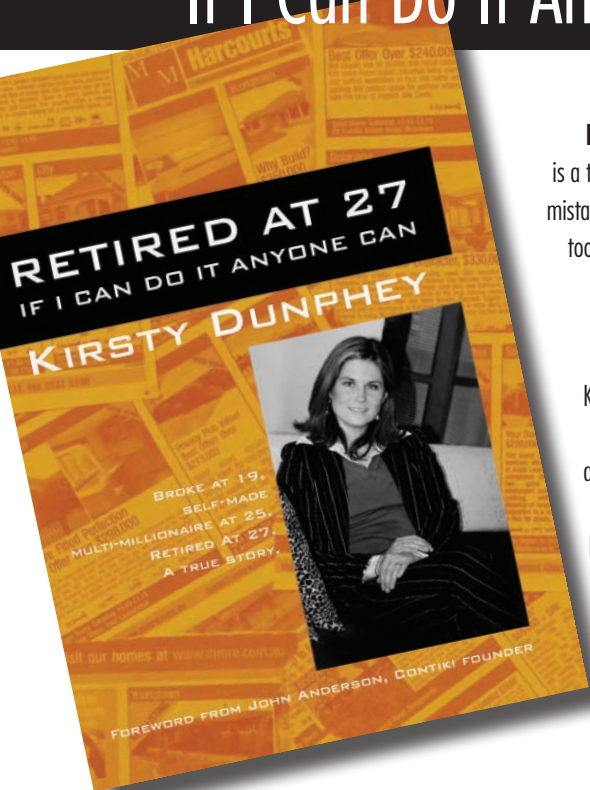
### *The 2008 Economic Outlook*

Chris Caton, Chief Economist for BT Financial Group, will launch AIM's Briefing Series for 2008, speaking on the Global Economic and Market Outlook for 2008, with a special emphasis on Australia. This is the eighth time Chris has given this presentation, attracting a significant following of people who attend annually to hear his economic forecasts.

<b>Date:</b>	<b>Friday 29 February</b>
<b>Time:</b>	<b>12pm - 2pm</b>
<b>Venue:</b>	<b>National Press Club of Australia, 16 National Circuit, Barton ACT</b>
<b>Cost:</b>	<b>Members \$90 Non Members \$115</b>
<b>Bookings:</b>	<b>Phone 1300 651 811 or visit aimcan.com.au</b>

# Retired At 27

- If I Can Do It Anyone Can



## Retired at 27 -

### If I Can Do It Anyone Can

is a true story outlining the business mistakes, successes and lessons that took Kirsty from having absolutely nothing to being retired financially free at 27.

Kirsty's story showcases the fact that success is achievable and available to everyone regardless of their current circumstances. Kirsty reveals that being young, female and broke were no barriers because she had the right attitude, determination and integrity.

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<sup>1</sup>To view the Morningstar list please visit the Morningstar website ([www.Morningstar.com.au](http://www.Morningstar.com.au)), follow the Fund QuickRank link, search for All Fund Managers in the Australian Large Growth Category, then rank the funds by Performance - Total Return over the 1 year period (click on "1 Yr" to rank Funds in descending order).

<sup>2</sup>Underlying investment portfolio for the Lincoln Wholesale and Retail Australian Share Funds. Investments can go up and down. Past performance is not a reliable indicator of future performance.

<sup>3</sup>Please consult your tax adviser regarding the extent to which Stock Doctor<sup>®</sup> is tax deductible given your circumstances.

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## Office 2007

The first thing you'll notice about Office 2007 is the brand new look – what we techies call the interface. Gone are the drop down menus – in their place are toolbars with relevant buttons grouped together. These toolbars are called Ribbons.

Remember WordArt? In Office 2007, it makes way for the much smarter and more professional SmartArt. You'll find the SmartArt button on the Insert Ribbon.

Click on All in the top left to browse through the samples available – just a glance will give you the inspiration you need to bring a professional edge to your documents and presentations. Check out the Gear, Cycle Matrix, Balance and the Stacked Venn options to name a few knockouts!

Once your SmartArt shape is inserted, click on each part you want to change. For example, where a picture icon is shown, insert your own graphic. Right mouse click the icon and choose Format Shape. In the Fill section of the dialog box, choose Picture or Texture fill and navigate to the graphic you want displayed.

A quick tip – if you can't get all the SmartArt features to show up, you may be working in a document that is still set in the old Word format. Click on the Office button in the top left corner of the screen and click Convert.

Oh, and F1 for Help at any time – the help content has been overhauled and is actually VERY helpful.

A website for you to check out – [atomfilms.com](http://atomfilms.com) – for a diversion from your everyday tasks. Search for the Animator Vs Animation cartoon – it's a crack up.

For more hints and tips visit [getmega.com](http://getmega.com). For a Creative Thinking presentation to have you and your team popping with ideas, visit [ideasculture.com](http://ideasculture.com)

## New Year - Focus on or in the business?

The challenge for any business is how to continue the growth and focus from year to year. The introduction of a new calendar year provides a catalyst for more businesses to set direction for the year ahead.

### Challenge

The perennial challenge of every business owner or senior manager is the amount of time spent working 'in' the business rather than 'on' the business. Spending time focused on the business is a hallmark of those businesses which have become market leaders or achieved a paradigm shift in their industry.



It is a difficult area to recognise and more difficult to realise what working on the business actually means. In its simplest form any business is based on three fundamentals:

- Defined value proposition
- Defined target market
- Sustainable and profitable business model

There are many businesses that are capable of so much more but in reality the difference is having a practical approach to growing the business.

If you are contemplating a commercial or legal challenge or opportunity as you approach the New Year why not talk to us?

*Adrian McFedries*  
Managing Director, DC Strategy

## business strategy

strategy  
marketing  
growth  
people  
finance  
technology  
legal

## franchising

strategy  
marketing  
franchising  
people  
finance  
growth  
technology  
legal

## international

strategy  
marketing  
international  
people  
finance  
technology  
legal

## legal

commercial and corporate  
franchising  
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intellectual property  
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international



*If you have an opportunity or a challenge,  
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