

MONTHLY AUDIO PROGRAM

BUSINESS ESSENTIALS

APRIL 2008



THE EXTRAS

Introduction



Selling – whether we like it or not – is a critical component of our business. We can always learn from those who really enjoy it and are successful sales people. One such person is Belinda Yabsley who is a great believer in mixing business with pleasure. In other words, she makes friends with her customers but in a very genuine way. And that has helped her sell a \$1m car!

Understanding your customer is also the message you'll receive from Tony Gattari of Achievers Group who has had huge success in sales at Harvey Norman. He tells us how to categorise our customers because we need to understand their personalities. You'll hear from both Belinda and Tony on this month's CD.

Sustainability – both in business and the environment – is what we need to think about as we move forward. Totally focussed on that approach is Col Duthie of Ergo Consulting who explains why it's critical we move in that direction or we won't survive.

Be sure you have the right business structure to gain the best tax benefits, says Michael Jones of Cummings Flavel McCormack; "Rewire or Rust!", explains Bob Critchley; and be sure you know how to compile email newsletters, advises Angela den Hollander. They're among this month's items to help you in your business.

As usual I hope you gain useful tips that will assist you.

Michael Schildberger
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THIS MONTH'S

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Track 2

MAKING CUSTOMERS YOUR FRIENDS

Belinda Yabsley, Quintessentially

- Making friends with customers isn't difficult if you find the right balance to ensure you don't cross lines into "intrusion"
- I've been lost in the South China Sea with a customer and when I was married in New Zealand most of the guests were customers to whom I'd sold cars
- I sold a \$1 million car to a long standing customer who went out of his way to deal with me
- It's all about understanding different personalities and their likes and dislikes
- We need to keep meeting new people. The networks and contacts you build can help your business as much as you help theirs
- Place the customer at the centre of your thinking

Track 3

ECONOMIC UPDATE

Professor Neville Norman, Melbourne University

- Rate rises are probably finished, for now, at a 7.25% RBA rate
- Why so many? Curb spending to quell inflation and imports, as in 1973/4
- Are there alternatives? Yes. Budget restraint. Why not? Both sides of politics
- When the history of 2007 is written, judgment will be against the rate rises
- Economic response: auctions results flattening, employment slowing, confidence flattened
- The policy challenge now: manage the reductions (Nov 1960: they blew it)
- Oil prices: \$US110 a barrel already reached – could go higher ('73/4, '79)
- Industry effects: inflation and wages surged; petrochemicals and oil users were hit, and an economic slowdown followed
- Challenges for smaller businesses: ride the storm, always ensure you can take a rate rise - if you haven't already rate locked
- History: it doesn't exactly repeat itself, but there are lessons to learn

Quiz: If oil prices doubled in the last year, what did they do in 1973/4 and 1979?

Answer: they doubled in 1979, but quadrupled in 1973/4!



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Track 4

REWIRED OR RUST!

Robert Critchley.

- Older workers have regained value – and may not want to retire
- You must become an employer of choice to retain staff
- It's better to have someone working flexible hours with 100% commitment than without working options and without that commitment
- There are many ways to become an employer of choice: buying leave, working remotely, job sharing. Ask your staff what they want!
- It isn't hard to manage flexible working arrangements
- Mentoring and reverse mentoring garners mutual respect between age groups
- A winning culture can't be created in the boardroom
- Reinvent the wheel, constantly! What works today may not work tomorrow

Track 5

EMAIL NEWSLETTERS

Angela den Hollander, Communic8 Design

- e-newsletters are a fast and economical way of communicating with clients
- Good design is crucial. e-newsletters must be attractive and well-branded as well as informative
- Don't send them via Outlook. They'll be treated as spam
- Don't use PDFs. You'll have no record of whether or how often they're being opened
- Pick your day to send them – Wednesdays or Thursdays are best
- Be consistent. Erratic delivery times send a bad signal to your clients

Track 6

SELLING TO DIFFERENT PERSONALITIES

Tony Gattari, Achievers Group

- Understanding a customer's personality is crucial. Look for the four main types
- EAGLES are powerful and expect to be challenged. Don't back away
- PEACOCKS are into self-image, they're impressed by successful brands and products
- DOVES don't like risk – they're after security and looking for guarantees
- OWLS love research detail and facts – they're often the hardest to win over
- Success comes from matching your approach to their personality. If you don't adapt, you won't sell

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Track 7

ALL IN THE FAMILY

Adele Levinge, Dennis Family Corporation

- Each family member needs to find their own space in the business - to "own" a particular activity
- Outside advice – at board or managerial level – is important. The family can't do it all on their own
- When differences arise, remember that everyone has a common goal: The success of the business
- Members of each generation must decide for themselves whether they want to be involved. They shouldn't rush into it
- Don't take the business home with you. The rest of the family needs time too

Track 8

REWARDING STAFF

Karen Rowell, Tresor Reward and Recognition

- Using incentive or reward and recognition schemes will help in retaining and engaging quality employees, especially in a tight labour market
- Incentives work best with sales and distribution teams, rewards and recognition with "backroom" staff
- Non-cash incentives or rewards work better these days than cash. They have greater trophy value
- It's important to focus on what you're trying to achieve and how – and to communicate that clearly to employees
- You're trying to reward a "stretch" in employee behaviour – not for just doing their job
- Schemes need not be a drain on management time. They can be outsourced or operated online



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Track 9

TAX – AND YOUR BUSINESS STRUCTURE

Michael Jones, Cummings Flavel McCormack

- If you run a business through a company or trust, FBT may apply to the benefits you receive
- The benefits need to be connected to employment
- Examples: Cars available for private use; loans to employees or associates at reduced rates; loans forgiven; expenses paid or reimbursed
- Health insurance is treated differently to income protection insurance
- Employees can reduce FBT by making a cash contribution or e.g. in the case of a car benefit, by contributing to the operating costs

Choosing the appropriate business structure:

- A key consideration is CGT on the sale of the business
- Different structures are taxed differently
- Companies cannot access the 50% CGT concession

Track 10

SHAREMARKET UPDATE

Tim Lincoln, Stock Doctor

- Current market volatility could last for some time with so many uncertainties
- Margin calls have forced "mum and dad investors", even company owners, to sell shares, sometimes in their own companies
- Margin loans reinforce the rule: Never borrow money to invest in shares
- Along with increasing interest rates in Australia, fears of a US recession are negative factors
- Company profit downgrades are another worry
- Stock favourites: Structural Systems, Index, CSL, Incitec Pivot, OneSteel, BHP, Westpac.

Track 11

SUSTAINABILITY – good for business

Col Duthie, Ergo Consulting

- Both employees and customers increasingly expect businesses to show they're in touch with environmental concerns
- Attention to sustainability will become a factor in maintaining or improving profit levels
- "Giving something back" to society can help bring out the best in staff Employees respond well to the opportunity to work flexibly - when they want to, where they want to

FOR MORE INFORMATION

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

MAKING CUSTOMERS YOUR FRIENDS

Belinda Yabsley, Quintessentially
belinda@belindayabsley.com
www.quintessentially.com

ECONOMIC UPDATE

Prof Neville Norman, Melbourne University
n.norman@unimelb.edu.au

REWIRE OR RUST!

Robert (Bob) Critchley
Bob's book Rewire or Rust! is co-written with Jodi Storey and is published by Wrightbooks.
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www.robertcritchley.com

EMAIL NEWSLETTERS

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SELLING TO DIFFERENT PERSONALITIES

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ALL IN THE FAMILY

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Family Business Australia is now accepting entries for the 2008 Family Business of the Year Awards. For your entry form, go to www.fambiz.com.au or call 1800 249 357

REWARDING STAFF

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TAX – AND YOU'RE BUSINESS STRUCTURE

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SHAREMARKET UPDATE

Tim Lincoln, Lincoln Stock Doctor
Please contact Lincoln direct for details about its Stock Doctor fundamental analysis software or Managed Fund services.
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What's on at AIM

AIM Victoria & Tasmania

Outstanding Women's Series with Kerrie-Anne Turner

In the IT industry where women account for less than 15% of employees, Kerrie-Anne is one woman who has definitely "made it". Currently Managing Director of StayinFront Group Australia, a CRM software company, Kerrie-Anne is responsible for a team of more than 50 people, overseeing the company's strategic direction and operations.

Date:	Friday 2nd May
Duration:	7.00am to 9.00am
Venue:	Level 17, RACV Club, 501 Bourke St, Melbourne
Cost:	AIM Member \$72 Non-Member \$99
Bookings:	Phone (03) 9534 8181 or visit aimvic.com.au/events

AIM Victoria & Tasmania

Managing the Future Series with Bob Welsh

Bob Welsh, Chief Executive of VicSuper, is the driving force behind VicSuper's adoption of sustainability as its central operating principle in 2000. During this luncheon, Bob Welsh will demonstrate that corporate Australia has a responsibility to invest in sustainability - not just because it might be the "right thing to do," but because it helps to build long-term shareholder value.

Date:	Tuesday 29th April
Duration:	12.00pm - 2.00pm
Venue:	Level 17, RACV Club, 501 Bourke St, Melbourne
Cost:	AIM Members \$120 Non-Members \$140
Bookings:	Call (03) 9534 8181 or visit aimvic.com.au/events

AIM Western Australia

Playing the Media Game to Win

We live in a 24 hours a day news and media arena. Gaining free media coverage can elevate you and your company to new levels. This luncheon will give you an introduction to how the media works, why it does what it does and how you can become a major player! ABC Radio Presenter James Lush (previously of the BBC) will give you an insight into why the media is vital to your business success!

AIM New South Wales

Ken Blanchard Seminar: Leading at a higher level

AIM is thrilled to announce that, for the first time in 10 years, the author of *The One Minute Manager* and one of the most sought after management speakers of all time, Dr Ken Blanchard, will be presenting two seminars in Australia. The full-day seminar on April 18 will focus on treating your people and customers well and developing the right type of leadership style to create a high performing organisation.

Date:	Tuesday 8th April
Duration:	12.00pm - 2.00pm
Venue:	Leadership Centre, AIM, 76 Birkdale St, Floreat
Cost:	Professional Members \$55 Guests \$88
Bookings:	Phone (08) 9383 8000 or visit aimwa.com.au
Date:	Friday 18th April
Duration:	8.30am - 4.30pm
Venue:	Sofitel Wentworth, 61 Phillip St, Sydney
Cost:	AIM Members \$1,295 Non-Members: \$1,495
Bookings:	Phone 1800 651 811 or visit aimnsw.com.au



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

see further

Be careful how you choose the ownership structure of your business.
Different structures are taxed in different ways.

CFMC KEY TAX DATES APRIL AND MAY 2008

- 21 Apr 08** **March 2008 monthly activity statement:**
final date for lodgment and payment
Quarter 3 (Jan - Mar 08) consolidated activity statement:
final date for lodgment and payment by head company of a consolidated group.
- 28 Apr 08** **Quarter 3 (Jan - Mar 08) activity statement:**
final date for lodgment and payment.
Quarter 3 (Jan - Mar 08) PAYG & GST instalment notice:
final date for payment. If varying instalment amount, final date for lodgment.
Quarter 3 (Jan - Mar 08) Superannuation guarantee contributions: contributions to be made to the superfund by this date.
- 21 May 08** **FBT 2008 return:** due date for lodgment and payment.
April 2008 monthly activity statement:
final date for lodgment and payment.
- 28 May 08** **Quarter 3 (Jan - Mar 08) superannuation guarantee charge statement:** due date for payment if superannuation contributions were not made by the due date.

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As General Manager for Harvey Norman Computer and Communications Division Tony Gattari oversaw the growth of the division from \$9 million to \$565 million in 9 years. He has been the Managing Director of a publicly listed company and CEO of a successful technology company.

Today Tony is a powerful business speaker and author who educates thousands of business owners around the world.



“
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“*Gerry Harvey - Business Secrets of Harvey Norman's Retailing Mastermind*” (Author James Kirby)

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”



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> Motivation > Activation

The future will belong to organisations whose leaders shape them to respond to the demands of:

CUSTOMERS who increasingly expect business to operate with environmental stewardship

INVESTORS who appreciate that the trajectory of successful businesses is toward corporate citizenship

EMPLOYEES, especially younger talent, who want their workplaces to be part of the solution to the planet's problems.

The sustainability of your business will depend on your capacity to meet these demands.

The Business Sustainability Round Table will connect you with the ideas and the people to ensure you don't get left behind in the fast moving green economy.

Meet once a month over breakfast in West Melbourne.

Business Sustainability Round Table

Keep up with the public conversation.
Get access to valuable research.
Share and hear stories of plans, challenges and successes in developing and implementing business sustainability practices and policies.

discover more or register interest:
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