

MONTHLY AUDIO PROGRAM

B **BUSINESS** **ESSENTIALS**

JUNE 2008



THE **EXTRAS**

Introduction



You don't have to be able to read or write, let alone use a calculator, to turn over millions of dollars a year. You see, business is simple – according to Beechworth Baker Tom O'Toole – but it's not easy. In other words, Tom says you simply need to determine what you want to achieve, get it written down and follow your goals. It's not easy because you can encounter many obstacles, but you'll get there, as he has. Tom, who says he can't read or write, now has six Beechworth Bakeries around Victoria which he says he visits regularly, but spends much of his time making speeches.

Tom has found an excellent business partner and manager so he has made himself "redundant". He won't mind me saying he's as crazy as ever, but he's learnt from his many experiences - advice he is now passing on. I'm sure you'll enjoy my interview with him on this month's program.

And on the subject of experience we call on two "regulars" on these programs to share their expertise, analysing the bottom line impact of the new Government's first Budget on small to medium sized businesses. Professor Neville Norman gives us the big picture and its effect on us and Michael Jones of Cummings Flavel McCormack looks at the tax issues.

Many ideas this month from various business success stories. And we hear from TV weatherman and environmentalist Rob Gell, not only on the need for sustainability but also how our businesses can improve profits if they take heed. He scares us but offers many opportunities.

I hope you enjoy this June 2008 edition and gain plenty from it.

Michael Schildberger
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THIS MONTH'S

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Track 2

BUSINESS: IT'S SIMPLE - NOT EASY!

Tom O'Toole, Beechworth Bakery

- We now have six bakeries across Victoria, all named Beechworth Bakery no matter where they are. It's our brand
- I'm "redundant" after handing over a "dictatorship" business to structured management. It was difficult to do
- I believe in the culture of giving managers "ownership" of the business
- It's all about what the customer wants – not what I want
- Business is so simple that people often miss the point. But it's never easy.

Track 3

FEDERAL BUDGET & THE ECONOMY

Professor Neville Norman, Melbourne University

- Economic growth and inflation still "warm" – confirmed by the Budget
- Both have helped produce a record surplus with limited spending cuts and implementation of all election promises
- Coal and resource boom numbers helped as well, as did tax collection activities
- But the 2% surplus is less restraining because of the income distribution shifts in an 'egalitarian' budget
- It will support lower interest rates in coming months
- Some slight dangers lurk for price and wage increases
- For the first time, GST numbers are absorbed into the budget
- NO American recession is predicted, or major fallout from the subprime crisis
- Business can be pleased with the setting and overall policy

Quiz: On the latest (revised) Budget data, the Commonwealth share of spending in the economy (GDP) is about 24%, much as it was in 1976. What was its maximum value, and when?
Answer: 28.0%, in 1984/5.



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Track 4

FEDERAL BUDGET & TAX

Michael Jones, Cummings Flavel McCormack

- Tax cuts - theoretically, people on the top marginal tax rate save \$50 a week, but in reality are they better off?
- Family trust elections - limit placed on who satisfies the definition of family member
- Small business CGT concessions - wider access for small business entities
- Superannuation - government clearing house to assist in the administration of employer super contributions
- Fringe benefits tax - change of policy on FBT exemption and depreciation for laptops and blackberries
- New integrity measures for employee share plans

Track 5

HIGH-FLYING FAMILY

Jeff Boyd, Brindabella Airlines

- Moving from a charter operation to a scheduled airline was about seizing a market opportunity
- Sharing a background in aviation helped create a successful business and family partnership
- Ensuring a steady supply of qualified pilots continues to be a major challenge
- Investing in new aircraft requires painstaking research, and a hands-on approach
- It's important to have access to specialised sources of finance
- In a family business, maintaining a normal family life is crucial to success and happiness.

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Track 6

PLUNGING INTO FRANCHISING

John O'Brien, PoolWerx

- Franchising is a means of bringing order to fragmented industries
- Think global from the start
- "Intrapreneurs" – people who want to build a business in an existing framework – make the best franchisees
- Fewer franchisees making greater profits is the PoolWerx recipe for success
- Australian franchising's success is built on strong relationships and few disputes
- There's still plenty of scope for growth in Australia, but innovation is essential.

Track 7

PROTECTING YOUR INTELLECTUAL PROPERTY

Ben Hamilton, Hall & Wilcox Lawyers

- Understand at least the basics of IP – it will help you understand your competitive position, what you actually own, your position when licensing, and if employees leave, what they can and can't take with them
- Conduct trade mark searches before adopting a new brand
- Try to adopt distinctive rather than descriptive trade marks
- Obtain upfront assignments of copyright when using independent contractors
- Conduct IP due diligence when buying or licensing IP.

Track 8

TURNING WASTE INTO DOLLARS

Chris O'Brien, Hungry Giant

- No-one was tackling the problem of disposing of polystyrene foam packaging
- Chris was already in business, at age 20, when he conceived the idea for the Hungry Giant
- It's taken him 5 years to invent, design, manufacture and market the machine
- Lacking technical experience and qualifications has been a major challenge
- Manufacturing in China is a quarter the cost of producing the machine in Australia
- The Federal Government's COMET scheme for emerging technology has been invaluable
- Big retailers find it cheaper than landfill, and better for the environment.

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Track 9

ONE MINUTE ENTREPRENEUR

Ken Blanchard, US Author

- Business leadership has changed because neither customers nor staff need to stay with you in a world of global competition
- Leaders now must earn the loyalty of customers and staff
- Good performance starts with clear goal-setting
- When staff do something right give them a minute of praise
- When they do it wrong, let them know and reprimand if it's appropriate
- All entrepreneurs are managers but not all managers are entrepreneurs.

Track 10

SHAREMARKET UPDATE

Tim Lincoln, Lincoln Stock Doctor

- The sharemarket was up 15% in April from its low in March
- It worries me when so-called experts tell people to liquidate their stocks when the market is near its low point
- The Lincoln Wholesale Australian Share Fund has received a five-star rating from Morningstar for its performance over three years
- Volatility and uncertainty remain but it's still a great opportunity to invest in great companies trading at a 20% discount
- Stock favourites: BHP, CSL, Leighton Holdings, Incitec Pivot, JB Hi-Fi, Imdex.

Track 11

THINK SUSTAINABILITY TO SURVIVE

Rob Gell, Environmental Access

- Ecologically sustainable development means businesses re-thinking how they do things
- Unless sustainability is built into business planning the business won't win
- We need to reduce energy use immediately if we're going to avoid "frying" by mid-century
- If we build in energy saving to the business plan it's good for the business – and the planet
- There are real opportunities in marketing your business as an energy saver
- Big technology is 15 years away but many renewable energy options are there now.

i FOR MORE INFORMATION

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

BUSINESS: IT'S SIMPLE – NOT EASY!

Tom O'Toole, Beechworth Bakery
To be in the draw for a complimentary
ticket to Tom O'Toole's BBREAD workshop,
email your name and phone number to
theextas@be.com.au, writing "Tom O'Toole"
in the subject line. The winner will be drawn
on Friday 13 June.

FEDERAL BUDGET 2008

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TURNING WASTE INTO DOLLARS

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ONE MINUTE ENTREPRENEUR

Ken Blanchard, US Author
See the advertisement on Page 13 of
this Extras booklet for the special offer to
Blanchard International's 2-day leadership
training program

SHAREMARKET UPDATE

Tim Lincoln, 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

THINK SUSTAINABILITY TO SURVIVE

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What's on at AIM

AIM Victoria & Tasmania

Managing the Future with Tim Costello

World Vision Australia CEO, Tim Costello will provide an insight into how his organisation, engages with a variety of key stakeholders to generate annual revenue of more than \$350 million. Mr Costello will outline the strategies associated with running a major organisation that relies heavily on corporate and individual sponsorship, and you will learn how innovation has driven the organisation's strategic initiatives and improved performance.

Date:	Friday 20th June
Duration:	12.00pm - 2.00pm
Venue:	Level 17, RACV Club, 501 Bourke St, Melbourne
Cost:	AIM Member \$120 Non-Member \$140
Bookings:	Phone (03) 9534 8181 or visit aimvic.com.au/events

AIM South Australia

Winning the Bid

In this seminar Ben Reid, Director of MatchPoint, will show you how you can improve your organisation's approach to winning the bid. This full-day seminar will focus on the key elements of client pursuit, bid strategy, bid documents and presentations, and combine best practice techniques with practical case studies drawn from a wide range of industry sectors. You will be able to strengthen your approach by learning from the successes and mistakes of market leaders.

Date:	Tuesday 17th June
Duration:	9.00am - 4.30pm
Venue:	Centre for Management Development, 180 Port Road, Hindmarsh
Cost:	Professional Members \$525 Non-Members \$570
Bookings:	Phone (08) 9383 8000 or visit aimwa.com.au

AIM Victoria & Tasmania

Marcus Buckingham LIVE in Australia

A best-selling author and leading expert on outstanding leadership and management practices, Marcus Buckingham is routinely lauded by leading global organisations as an invaluable resource in informing, challenging, mentoring and inspiring people to find their strengths and obtain and sustain long-lasting personal success. Don't miss this exclusive half-day seminar packed with rule-breaking insights on management, leadership and sustainable success.

Date:	Wednesday 4th June
Duration:	9.00am - 12.30pm
Venue:	The Palladium, Crown Towers 8 Whiteman Street, Southbank
Cost:	AIM Members \$695 Non-Members \$795
Bookings:	Call (03) 9534 8181 or visit aimvic.com.au/events

AIM Canberra

Why Leadership is a Woman's Art

In this groundbreaking seminar Lois Frankel, author of the bestseller *Nice Girls Don't Get The Corner Office*, will provide a blueprint for how women can lead in nearly any situation. She will unearth and articulate the hidden strengths of women and explore their natural strengths, as these form the foundation of success. Dr Frankel will focus on the strategies for unleashing the leadership capabilities of women and the models which will enable women to lead more confidently.

Date:	Friday 13th June
Duration:	8.30am - 5.00pm
Venue:	Federation Ballroom, Hyatt Hotel, Commonwealth Ave, Canberra
Cost:	AIM Members \$895 Non-Members: \$995
Bookings:	Phone 1300 651 811 or visit aimnsw.com.au



Definition of intoxication

(in-tăk'si-kă'shan)

1. 1. (n.) Euphoria at getting a refund from the Australian Tax office, which lasts until one realises it was one's own money to start with.

If you want to really understand tax call Michael Jones on **03 9252 0800** for a free consultation about how the latest developments in domestic and international tax and superannuation apply to you.

Visit: www.cfmc.com.au

see further

CFMC KEY TAX DATES

June and July 2008

- 21 Jun 08 **May 2008 monthly activity statement:**
final date for lodgment and payment.
- 30 Jun 08 **End of financial year.**
- 14 Jul 08 **Employers to issue PAYG payment summaries to employees.**
- 21 Jul 08 **June 2008 monthly activity statements:**
final date for lodgement and payment.
- 28 Jul 08 **Quarter 4 (April - June 2008) PAYG & GST statements:** final date for lodgement and payment.
- 31 Jul 08 **Last date for superannuation guarantee contribution for 4th quarter (1 April-30 June 2008)**
to superannuation funds.

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