

B MONTHLY AUDIO PROGRAM
BUSINESS
ESSENTIALS

JAN 2009

Presented by Michael Schildberger



THE
EXTRAS

Introduction



Each year at this time we have the opportunity to be given a glimpse into what we can expect on the economic road ahead. Our economist Professor Neville Norman has always been remarkably accurate. This year we need his forecast more than ever. Fortunately it's not all bad news. While he warns that times will continue to be tough at the start of the year he says we can expect a turnaround later in the year. Indeed we need to be warned of an increase in interest rates and an uplift in the market place. So we need to prepare ourselves for the potential change in activity. Neville Norman's views are certainly worth hearing.

In the meantime we need to figure out how to bring in revenue without spending too much. Sales guru Tony Gattari of Achievers Group paints an interesting picture about the need to inflict pain while selling before we can deliver pleasure. It makes sense when you consider that you need to know what your customer doesn't want

before you can establish what the customer does want.

At Business Essentials we have naturally been considering what we can offer to help you through these difficult times. We have revamped our website and asked our regular experts to answer your questions. You can type in your question and our experts will provide an audio answer. Go to www.BusinessEssentials.com and have a look.

You might recall our interview last month with US author Robert Bloom on "The Inside Advantage". He'll be in Sydney soon and you'll find details in the brochure enclosed with this month's CD plus a special offer. And there's a great offer from Taylors Wines.

Enjoy the program and this month's Extras.

A handwritten signature in blue ink that reads "Michael".

Michael Schildberger
Executive Chairman

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Track 2

2009 – WHAT LIES AHEAD

Professor Neville Norman, Melbourne University

Economic forecast for 2009	Latest	Neville's forecast	Most Likely range
Real GDP growth (% change)	2.0%	2.20%	1.2-3.5%
Household consumption - real growth	2.10%	2.90%	2.5-3.4%
Gross investment companies - % change	7.70%	4.20%	1.0-7%
Net export contribution to real GDP growth	-0.20%	-0.50%	0-0.8%
Total motor vehicle registrations - % change	-19%	-9%	- 5 to -16%
Housing approvals - number, % change	-15%	-5%	0-16%
Housing commencements - % change	2.10%	-4%	- 6 to -12%
Housing finance - dollars, % change	-22%	-8%	- 12 to -20%
Inflation - CPI all groups % growth	5.10%	3.10%	2.2 - 4.8%
Average wage earnings	4.50%	4.20%	3.5 - 5.5%
RBA cash rate - down to 4% or lower in year: Dec 09	4.25%	5%	3.5 - 6.5%
FX: \$US to \$A down to 59c; up to Dec 09	64c	70c us	45 - 88c

Summary: the worst will be over for the general economy by late 2009.

Don't leave rate-locking too late.

Track 3

WHICH COMPANIES WIN – AND WHY

Graham Hubbard, University of Adelaide

- A winning company must be able to do well in tough times as well as good ones
- Cost control is important – but target your cuts, don't slash across the board
- Be sure to retain your good people and good activities
- Winning organisations will demonstrate nine principles for success, including doing what they say they'll do, sound strategy, the ability to adapt rapidly and effective leadership teams
- Most winning organisations don't bother with mission or vision statements
- As you succeed, bring in people with the skills you lack
- Focus on the areas in which your business is weakest as the first step towards winning

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Track 4

GROWING THROUGH ACQUISITION

Tom McKaskill

- Think of acquisitions as a way to overcome business constraints
- There are many risks – you need a systematic approach to business growth
- The process will stretch senior management. It makes more sense if the acquired business has stable management already in place
- Bringing two businesses together is expensive and difficult – if you don't need to do it, don't!
- There are many different types of acquisitions so ask yourself, "What am I trying to achieve?" and "What is my capacity and capability?"
- The starting point is to work out what you want long term, what your business is, and how to achieve a growth strategy

Track 5

WHAT'S YOUR BUSINESS WORTH?

Mike Williams, Maxell Consulting

- You'll only sell your business once – it's crucial to get the price right
- Get your paperwork in order – uncertainty breeds fear which will drive buyers away
- Make sure your customer database is up to date and accurate
- Well-trained and well-presented staff will make potential buyers feel comfortable
- Don't hide the weaknesses of the business – buyers may see them as opportunities
- Well-maintained assets and tidy premises will impress potential buyers
- Make sure you get good professional advice, appropriate to the type and size of the business

Track 6

PAIN TO PLEASURE FOR SALES RESULTS

Tony Gattari, Achievers Group

- The only time we change is when the pain of where we are is greater than the pain of change
- To be good at closing a sale you have to make people dissatisfied with their current buying arrangements
- I ask "killer questions" to make people aware they're not happy
- When a prospect is really uncomfortable with where they are, they ask "how can you help me?" You've got the sale!
- The formula for a sale: dissatisfaction multiplied by vision plus first steps. I make you dissatisfied, I provide the vision of what I can do then make it easy to buy

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Track 7

KEEP BUSINESS & PERSONAL RECORDS APART

Patrick Holt, DC Strategy

- A business is a legal entity with a life of its own, separate from its owners
- Don't intermingle financial records, bank accounts or funds
- The company's assets will make capital raising easier, and provide protection like limited liability
- That protection can be put at risk if the lines are blurred
- Make sure all financial transactions between the company and its shareholders are documented
- Have the meetings required in the company structure, and keep records of them
- Neglect of the company's best interests can put the company, directors and shareholders all in jeopardy

Track 8

SUCCESS WITH ONLINE PAYMENTS

Matt Bullock, eWAY

- eWAY now has more than 4,000 customers and is doubling its customer base every year
- Every month is eWAY's best month – the company is very focused on sales
- Customers buying online have pushed merchants to consider more convenient online payment systems
- Safety is less of an issue now. eWAY spends huge resources on ensuring safety
- Many people think online payment is complicated – it isn't!
- Partnerships and reputation are both critical to eWAY
- A challenge is to get existing customers to increase transactions
- eWAY has now cracked the Australian market and is heading overseas – the model is transportable
- The goal is to be a truly global player

Track 9

SHAREMARKET UPDATE

Tim Lincoln, Lincoln Stock Doctor

- Sharemarket volatility will continue in 2009
- Coming off such a low base, we can return to our previous peak within 5 years
- Financial engineering and innovative products have transformed the investing environment – hedge funds, security lending, short selling, derivatives, automatic stop losses, margin lending – all have created one big gambling pit
- The original purpose of the sharemarket as a long term capital-raising vehicle is being forgotten
- These new products have created a massive industry so there's no easy answer
- Stocks of the month: CSL, Cochlear, Woolworths, QBE, Westpac, Reject Shop

Track 10

SUCCESSION: TAX ON TRANSFERRING ASSETS

Michael Jones, Cummings Flavel McCormack

- Family trusts are a popular way of holding business assets and investments
- You don't own the assets in a trust, so they're not included in your will
- The transfer of an asset out of a trust is subject to tax
- The ATO has announced that new legislation will be made to stop the practice of cloning trusts, effective from October 31, 2008. Trust-cloning was used to transfer management of particular assets to different members of the next generation
- Transferring the management of trust assets from generation to generation without incurring considerable tax liabilities remains an important task

Track 11

THINKING ON YOUR FEET

Ken Everett, Think On Your Feet

- Thinking on your feet is an essential skill for effective communication
- "Bridging" to an answer provides valuable think-time
- Structure is important – think in terms of time, geography or some other appropriate grouping
- Try to anticipate the questions you'll be asked
- Don't overload your audience – two or three points at a time is enough
- Use both sides of your brain: the creative and the logical
- Being able to think on your feet will help eliminate the fear of public speaking

i FOR MORE INFORMATION

about the topics discussed on this January 2009 program, please contact the relevant organisations as listed below.

2009 – WHAT LIES AHEAD

Professor Neville Norman,
Melbourne University
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WHICH COMPANIES WIN – AND WHY

Graham Hubbard, University of Adelaide.
Co-author of “The First X1: Winning organisations in Australia”
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GROWING THROUGH ACQUISITION

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SHAREMARKET UPDATE

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

SUCCESSION: TAX ON TRANSFERRING ASSETS

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What's on at AIM

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Outstanding Woman Series 2009

Following the success of our highly popular 2008 series, we're now offering AIM Members the opportunity to get in early for our 2009 series. With a line-up of five unique, inspirational and successful women set to share their challenges, milestones and career highlights, our 2009 series will undoubtedly be a sellout.

Don't miss this unique opportunity to be inspired by the accomplishments of outstanding women in business and life. With a limited seating capacity, early bookings are essential. Series prices quoted below.

Cost:	AIM Member (individual) \$380.00 AIM Member (table of 10) \$3800.00
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To book please call the events team on
03 9534 8181.

AIM NSW

When Wall Street sneezes, the global economy catches a cold. At AIM's first Breakfast Briefing for 2009, Dr Chris Caton, Chief Economist with the BT Financial Group, will again present his economic outlook for the year ahead.

Chris has recently been quoted as saying that property prices are over-valued, the share market is under-valued and that the Australian economy has been sheltering behind China's demand for our resources. In his typically forthright and succinct style, Chris will once again set the Australian economic stage for us for the year ahead.

Date:	Friday 20th February 2009
Venue:	Four Seasons Hotel 199 George St, Sydney
Duration:	7.30am to 9.00am
Cost:	AIM Members: \$95 Non-Members: \$135 Table of 10 Members: \$1,100 Table of 10 Non: \$1,250

AIM VIC AND TAS

Why Should Anyone Be Led By You? - Prof. Rob Goffee

At the start of the Millennium, Professor Rob Goffee and his research team were driven by this single, simple question. 'Why should anybody be led by you?'. It had an impact....

Audiences throughout the world paused for thought. Rooms fell silent as people pondered their right to lead. You will be able to answer the question with confidence following a journey of self-discovery through this specifically-designed workshop.

Date:	Wednesday 1st April 2009
Venue:	Melbourne Cricket Ground
Duration:	9.00am - 12.30pm
Cost:	AIM Member Early Bird to 14th Feb: \$425 From 15th Feb: \$525

To book please call the events team on
03 9534 8181

AIM WA

Click! How to Boost Relationships for Exceptional Results - Meet the Authors - Greg Barnes and David Koutsoukis.

Do you find there are some people you get along with straight away? Are there others you find very frustrating or annoying? And have you ever wondered why you CLICK! with some people and others drive you CRAZY? Now you can discover why people behave the way they do, and how to build great relationships, improve communication skills, and identify your personal potential. Book and pay on or before January 19 to receive a free copy of the book 'Click!'

Date:	Thursday 5th April 2009
Venue:	Burswood Entertainment Complex
Duration:	12.15pm to 2.45pm
Cost:	Professional Members: \$90 Affiliate Members: \$115

To book call 08 9383 8088



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see further

CFMC KEY TAX DATES FOR JANUARY AND FEBRUARY 2009

- 15 Jan** **Income tax return due date for lodgment:** companies, superannuation funds and trusts that were large/medium taxpayers in the prior year and are not required to lodge earlier.
- 21 Jan** **Dec 2008 monthly activity statements:** due date for lodgment and payment.
Quarter 2 (Oct-Dec 08) activity statement containing a monthly GST obligation: due date for lodgment and payment.
- 28 Jan** **Quarter 2 (Oct-Dec 08) superannuation guarantee contribution:** due date for payment to a superfund provider.
- 21 Feb** **January 2009 monthly activity statements:** due date for lodgment and payment.
- 28 Feb** **Annual GST return:** due 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.**



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1 The Underlying investment portfolio for the Lincoln Wholesale and Retail Australian Share Funds. 2 To view the Morningstar list please visit 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 3 year period. Results as at 31 October 2008. Important information: Lincoln Indicators Pty Ltd ACN 006 715 573 (Lincoln). AFSL 237740. This communication may contain general financial product advice. This communication has been prepared without taking into account your personal circumstances. You should therefore consider its appropriateness in light of your objectives, financial situation and needs, before acting on it. Investments can go up and down. © Morningstar Research Pty Ltd ABN 83 062 096 342, AFSL 243161. All rights reserved. To the extent that any of the content above constitutes advice, it is general advice that has been prepared by Morningstar, without reference to your objectives, financial situation or needs. Before acting on any advice, you should consider the appropriateness of the advice and we recommend you obtain financial, legal and taxation advice before making any financial investment decision. If applicable, investors should obtain the relevant product disclosure statement and consider it before making any decision to invest. Please refer to our Financial Services Guide (FSG) for more information at www.morningstar.com.au/fsg.asp.

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