

MONTHLY AUDIO PROGRAM

# **B** **BUSINESS** **ESSENTIALS**

MARCH 2009



# **THE** **EXTRAS**

# Introduction



During these difficult economic times it's more important than ever to ensure we are paid promptly. After all, our survival depends on our cash flow. So we can't afford to let our debtors destroy our business. There are various ways we can consider maintaining our cash flow – such as online payments and direct debit. There are of course many who are nervous about using such methods so we've invited Ezy pay's CEO Trent Brown to give us some advice, which you'll hear on the CD.

Just as important is to keep selling and marketing, spending as little as possible. An obvious answer is using the phone to contact existing and potential customers. But that's not so easy for some. Wendy Berry of Sales Evolution has some useful tips, which include planning what you want to say and writing down the major points.

And then there's the Internet as a useful tool to sell. Our sales expert Tony Gattari has been studying the best ways to use it and passes on his findings.

The state of the economy and its future during this calendar year are naturally of importance to all of us. Our economist Professor Neville Norman's forecasts have always been reliable and you'll find this month's analysis well worthwhile.

Be sure you look at the special offers for BE subscribers in this Extras booklet from Lincoln Stock Doctor and Final5 and, as usual, take advantage of the advice on the CD from experts in their particular fields.

Michael Schildberger  
Executive Chairman

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THIS MONTH'S

# ESSENTIALS



## Track 2

### THE ECONOMY

Professor Neville Norman, Melbourne University

- Two thirds of the western world is in recession with more to come. Only a handful of countries like Australia is unlikely to go into recession
- China is not going backwards. It's slowing down growth
- The stimulus packages around the world are the right thing but we can overdo them
- The stimulus packages must be in effect to promote spending quickly
- In business, don't forget the basic principles: watch your pricing, your products, your promotion and your partnerships
- Some businesses will need more finance but they must present their case to lenders better
- I still believe interest rates will rise late this year or early next year

## Track 3

### DON'T LET DEBTORS DESTROY YOUR CASH FLOW

Trent Brown, Ezy pay

- Have a cash flow statement and always match expenses against cash
- Act fast with invoicing
- Look for ways to increase cash and reduce debtor days – we suggest direct debit
- The reduction in bad debts generally pays for the cost of direct debit
- It promotes financial stability
- Don't be afraid to ask customers to pay by direct debit – many prefer it
- Ezy pay was founded because of gym membership problems – the business grew dramatically as a result
- Ezy pay offers information and a suite of solutions to help manage finance
- Trent Brown's keys to success: know your numbers; trust your cape; always ask "Why?"

THIS MONTH'S

# ESSENTIALS

## Track 4

### **RAISING VENTURE CAPITAL**

Tom McKaskill

- The differences between angel finance, venture capital finance and private equity finance are often misunderstood. Angels are high net worth individuals, offering up to \$2 million; venture capital firms come in at about \$5 million; private equity firms deal in hundreds of millions of dollars
- All are seeking high returns on their investment – you need to build a robust, high-growth business with the money
- It's all about an exit strategy – make that your starting point
- Look for expertise, connections and someone who can help you achieve the exit
- Prepare your business plan extremely well and expect thorough due diligence from your prospective venture capital firm
- Expect to relinquish control – venture capitalists will step in to achieve their desired outcome
- If you can accept the conditions, venture capital is a great way to achieve wealth

## Track 5

### **OLIVE OIL EXPORT TWIST**

Jeremy Meltzer, Yellingbo Gold

- We decided before we had any oil to sell that we would start by exporting to the US
- We spent 6 months refining the product and the branding to suit the US market
- Good exposure on American TV and in newspapers has been invaluable
- They love all things Australian, but it's important to create an additional point of difference
- We're using the Australian wine cask – it keeps the oil in better condition and is environmentally superior to bottles or cans
- The oil is now in demand from Australian chefs who've heard about its success in America
- We've combined my singing career with the olive oil business to create extra value for our customers

THIS MONTH'S

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Track 6

## LEASING WATCHOUTS

Patrick Holt, DC Strategy

- Commercial leasing involves a much stricter contract than any domestic leasing
- You're in a business relationship and your personal relationship with the landlord doesn't mean much
- The terms can vary dramatically so it's important to get legal advice
- Renewing a lease may involve an automatic rent increase or advertising cost rise which are not negotiated
- Today's economic times may make it easier to negotiate. Eg – dropping a personal guarantee
- Shopping centre leases are among the hardest to negotiate as landlords are in such a strong bargaining position

Track 7

## INTERNET MARKETING

Tony Gattari, Achievers Group

- Traditionally, we think very narrowly. On the Internet, we're playing worldwide
- Ask yourself "what devices do I need to market my goods or services?"
- I recommend a diversified Internet marketing strategy
- Have a simple website. If it looks confusing, it is
- Give value like an e-zine or another offer. It gives you the customer's name and address for future follow-up
- The importance of search engines can't be over-estimated

Track 8

## 5 COMMON HIRING MISTAKES

Jason Snell, Final5

- With rising unemployment, the job market is changing – many more applicants are coming forward
- Employers should put a good recruitment process in place – avoiding 5 common mistakes
- First, be sure you actually need to recruit someone
- Differentiate between recruiting (setting out what you need) and hiring (selecting the right person)
- Don't hire "on the spot" – take time, check references
- In the current climate, it's the candidate who has to do the "selling"
- Don't just hire on skill levels – look at attitude and character as well

THIS MONTH'S

# ESSENTIALS

## Track 9

### EARLY ACCESS TO YOUR SUPER

Michael Jones, Cummings Flavel McCormack

- A Transition to Retirement Pension can be a tax-effective way of accessing your superannuation
- It's available if you're 55 or over
- There's no need to retire
- The income stream is taxed at your marginal tax rate, less 15%, until you turn 60
- After 60, it's tax-free
- You can still make tax-deductible contributions to your super fund

## Track 10

### SHAREMARKET UPDATE

Tim Lincoln, Lincoln Stock Doctor

- I think by July/August we'll see a turnaround in the sharemarket
- The current reporting season will be very ordinary with companies showing negative earnings growth
- Barring another catastrophe we must be close to the bottom of the fall
- A 10% compound return will take us back to the market high in seven years.  
15% return will take us back in five years
- Favourite stocks: CSL, Cochlear, Woolworths, QBE, The Reject Shop, Reckon Limited, Westpac

## Track 11

### CUSTOMER CONTACT: PLAN AND ACT

Wendy Berry, Sales Evolution

- Don't just think about phoning clients and sales prospects – do it
- A positive attitude can make a world of difference
- Make a plan – decide who you're going to call and when
- Don't make it a social call – have something to ask and something to offer
- In these tough times, clients will value the supplier who's interested in how they're faring
- Sales managers have a key role in making sure their team members are well-prepared and on the ball
- Impress your clients now with your level of service and they'll still be with you when good times return

# **i** FOR MORE INFORMATION

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

## **THE ECONOMY**

Professor Neville Norman,  
Melbourne University  
[neville.norman@unimelb.edu.au](mailto:neville.norman@unimelb.edu.au)

## **DON'T LET DEBTORS DESTROY YOUR CASH FLOW**

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## **RAISING VENTURE CAPITAL**

Tom McKaskill  
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## **OLIVE OIL EXPORT TWIST**

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## **5 COMMON HIRING MISTAKES**

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## **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.lincolindicators.com.au](http://www.lincolindicators.com.au)

## **CUSTOMER CONTACT: PLAN AND ACT**

Wendy Berry, Sales Evolution  
T: 0408 410403  
[www.wendyberry.com.au](http://www.wendyberry.com.au)



New course dates  
are now available



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# What's on at AIM

## AIM VIC AND TAS

### *Outstanding Women 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. Our first speaker is Maureen Frank, Founder of Emberin. An entrepreneur, author, business strategist and facilitator, Maureen was Telstra Business Woman of the Year in 2004 and a BRW Rising Star in 2005. She founded Emberin to help provide women with the practical skills they need to achieve their career goals.

Date: Friday 6th March 2009

Venue: RACV Club, Level 17,  
501 Bourke St, Melbourne

Duration: 7.00am - 9.00am

Cost: AIM Member: \$80  
Non Member: \$105

To book please call the events team on  
03 9534 8181

## AIM VIC AND TAS

### *Business Essentials - Ash Hunter*

Ash Hunter is the 33-year-old CEO of Hunter 5 - an umbrella group worth close to \$100M. Hunter 5's diverse business interests include publishing, music, property development, glass manufacturing and the sourcing and manufacturing of hospitality equipment. Ash has also pioneered the Hunter 5 Foundation. He will share his philosophy on business, how he grew the business from \$5M to \$100M, and how you too can succeed in your market.

Date: Friday 20th March 2009

Venue: AIM, Management House  
181 Fitzroy St, St Kilda

Duration: 7.00am to 9.00am

Cost: AIM Members: \$75  
Non-Members: \$95

\*\*Event vouchers are redeemable  
for this event

## AIM VIC AND TAS

### *Leadership Branding - Step Up, Stand Out!*

Workplace lessons smart people wish they'd learned sooner! Success strategies for your personal brand and why they're even more important in turbulent economic times. Jon-Michail is founder and CEO of Image Group International, an advisory and coaching organisation represented in over 18 countries. Join Jon-Michail for the full day workshop to discover your personal leadership branding style.

Date: Wednesday 18th March 2009

Venue: Malcolm Moore Room, AIM  
181 Fitzroy St, St Kilda

Duration: Registration: 8.30  
9.00am - 5.00pm

Cost: AIM Member: \$699  
Non Member: 799  
Book 2 or more: \$630

To book please call the events team on  
03 9534 8181

## AIM NSW

### *Positive Psychology - Thriving in Uncertain Times Speaker: Amanda Horne, Facilitator/ Executive Coach/Adviser.*

There is no doubt that we face uncertain times: the global financial crisis, climate change, stressful workloads, not to mention the usual worries people face in their daily lives.

In this discussion session we will:

- discuss why now, more than ever, Positive Psychology is important
- explore its impact on our business and work
- identify simple strategies that will help sustain us.

Date: Tuesday 31st March 2009

Venue: AIM ACT, L3,  
Engineering House,  
11 National Cct, Barton

Duration: 5.30pm-7.30pm

Cost: Professional Members: \$0  
Non - Members: \$45

To book call 1300 651 811



## Accountants Who Help You See Further

Cummings Flavel McCormack are accountants who provide specialist business advice to business owners.

### Transition to retirement pension example

	\$	\$
Annual payment from fund	50,000	70,000
<b>Tax payable:</b>		
Primary tax payable	9,000	15,000
Medicare	750	1,050
	9,750	16,050
Less 15% rebate	7,500	10,500
Net tax payable	2,250	5,550
Effective tax rate	5%	8%

*see further*

## CFMC KEY TAX DATES FOR MARCH AND APRIL 2009

**21 Mar** February 2009 monthly activity statements:  
due date for lodgment and payment.

**21 Apr** March 2009 monthly activity statements:  
due date for lodgment and payment.

**Quarter 3 (January - March 09) consolidated activity statement:**  
final date for lodgment and payment by head company of a consolidated group

**28 Apr** Quarter 3 (January - March 09) activity statement:  
final date for lodgment and payment.

**Quarter 3 (January - March 09) PAYG & GST instalment notice:**  
final date for payment.

**Quarter 3 (January - March 09) Superannuation guarantee contributions:**  
due date to make contribution payments to superfund providers.

### 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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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.



“  
*Straightforward, passionate, optimistic and an enthuser on a grand scale.*

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

”

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> Motivation > Activation

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people  
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technology  
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## international

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