

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

APRIL 2009

Presented by Michael Schildberger



Milk your own COWS
- Tony Gattari, Achievers Group

THE EXTRAS

Introduction



Our on-going aim at Business Essentials is to provide you with information and ideas to help you improve your particular enterprise. Right now businesses need such assistance more than ever. Help might be required in such areas as marketing and sales or accessing funds or being given accurate economic forecasts.

In terms of the economy we naturally rely on Professor Neville Norman who always gives us excellent advice.

On sales our guru Tony Gattari of Achievers Group gives us a useful reminder to milk our own cows! In other words, build sales through existing customers, talk to them, seek advice from them and encourage them to spread the word rather than visiting our neighbours' cows.

As for a possible shortage of funds, the banks might not be willing to help. There are however other ways. Michael Davis and Tim Martin of Causeway Financial explain on this month's CD. You'll also find a special offer from them in this edition of The Extras.

And if you're looking at ways of cutting costs be sure you look around at home as well as in your business. You might find the potential for substantial savings which Luke Neale of Save on Bills identifies.

Perhaps this is a good time to share your risks and involve partners in your business or establish alliances. Just be careful about your choices, warns Robin Power of Affinity Maker.

We also figured we should seek advice his month on what to do if we are about to hit that brick wall. Business author Andrew Griffiths gives us his check list.

Again, enjoy the CD and this Extras booklet.



Michael Schildberger
Executive Chairman

EXECUTIVE CHAIRMAN: Michael Schildberger

MANAGING DIRECTOR: Nick Schildberger

ADVERTISING/SPONSORSHIP: nschildberger@be.com.au

PRODUCTION MANAGER: Heather Dawson

CHIEF EDITOR: John Hounslow PRODUCER: Bob Kearsley

STUDIO MANAGER: Peter Letts

PUBLISHER: Business Essentials Pty Ltd ABN: 98 006 144 449

405 Riversdale Road, Hawthorn East Vic 3123

Phone: (03) 9882 8333 Fax: (03) 9882 8017 Web: www.be.com.au

© COPYRIGHT 2009. No reproduction of contents without written permission of the publisher.

Business Essentials and the BE logo are registered trademarks of Business Essentials Pty Ltd ® ABN: 98 006 144 449 Neither Business Essentials Pty Ltd nor Michael Schildberger, nor sponsors, nor advertisers of this magazine or CD accept any form of liability, be it contractual, tortious or otherwise, for the content of this magazine or CD or for any consequences arising from its use or any reliance placed upon it. The information, opinions and advice contained in this magazine and CD are of general nature only and may not relate to or be relevant to your particular circumstances. You should always take independent advice relating to your particular circumstances prior to making any decisions.

THIS MONTH'S

ESSENTIALS

Track 2

ECONOMIC FORECAST

Professor Neville Norman, Melbourne University

1. Activity: economic growth even more subdued for the moment
 - First negative real GDP growth for years
 - If the next quarter, due at Budget time, is also negative, it's recession but still a mild one
 - Outlook still for slump to middle-later 2009, then uplift
2. Equity prices: pleasing run of rises in mid-March. May not be sustained, but not far from the bottom
3. Product prices: heavy discounting. Underlying inflation remains slower but positive – 2-3%. Outlook on track
4. Wages: hourly rates still rising but reduced weekly hours will be the issue for many
5. Interest rates: Reserve Bank courageous in holding rates but will probably cut further before the anticipated later-year rises

Implications: activity-dependent businesses still face a dark period, but only months to go before positive signs outweigh the negative. No major revision to the December outlook

Actions: Test if price discounting is sensible; make re-organisational changes while you can - they're harder to do in the recovery; ride the rates for a while; make budget submissions

Coming up: Detailed Federal Budget Preview, May edition

Track 3

MILK YOUR OWN COWS

Tony Gattari, Achievers Group

- Improving the frequency of existing customers buying means "milking your own cows"
- We have a barn full of existing customers (cows) but we ignore them
- We spend a lot of money trying to steal someone else's cows when we already have our own
- It comes down to communication and treating those customers as friends
- You're expected to give good service. Give remarkable service
- Invest in a Customer Relationship Management package. It tracks every purchase
- Give customers a reason to come back



THIS MONTH'S

ESSENTIALS

Track 4

CRISIS POINT: WHAT TO DO

Andrew Griffiths, Oceanic Marketing Group

- In a crisis, you need to take action – now!
- Let those around you know how serious things are
- Get good advice and seek another opinion
- Don't let panic lead to cost-cutting that could damage the business
- Be creative to generate business and think outside the square
- Don't stop marketing - and keep in touch with customers
- Arrange new terms with suppliers – they'll want to support you
- You must make the hard decisions – it's your responsibility
- Keep one eye on the future and don't lose your sense of humour

Track 5

BORROWING WITHOUT PROPERTY

Michael Davis & Tim Martin, Causeway Financial

- Banks are focusing more on property as security for lending
- We are a growth lender. We lend against current assets, receivables, inventory, plant and equipment, intellectual property or combinations of them
- We're not a bank so we're more expensive. It could be 10-12% when a bank is lending at 6%
- In the last 18 months we've met all the requirements of all our borrowers
- All loans have fixed maturity dates and we would be in breach if we called them earlier
- Typically we have a minimum loan of \$3 million but we would look at someone close to that figure

Track 6

CHOOSE STRONG ALLIANCES – BUT CAREFULLY

Robin Power, Affinity Maker

- A strong partnership can help share, spread and minimise both costs and risks
- It can drive up shareholder returns and create more value for customers
- There's scope to develop new business lines and grow revenue cost-effectively
- Careful and honest planning is essential – to identify common ground and points of difference
- Trust is crucial – if one partner has a hidden agenda, the partnership will probably fail
- Shared objectives, mutual benefit and transparency are non-negotiable guiding principles for success
- If a partnership starts to crumble, seek help – it can often be repaired

THIS MONTH'S

ESSENTIALS



Track 7

INVOLVE YOUR STAFF – OR ELSE

Kevin Panozza, Engagement Matters

- Of the “Eight Enemies of Engagement”, poor management communication and lack of recognition stand out
- Uniformity and a rule-driven environment will stop employees behaving as individuals. The business loses out
- Avoid “greyness” in the work environment – people respond better to colour
- Don’t take people for granted – encourage them to develop within the business
- Training is essential – don’t throw them in at the deep end
- Most jobs become boring over time – inject some fun into the work environment
- Don’t ignore back-office people. It’s not just the customer-facing staff who sustain the business relationship

Track 8

INVESTIGATING FRAUD

Wayne Gladman, Fraud Risk Solutions

- Secure the evidence so no-one can touch or alter it
- If the evidence is computer-based, make a copy
- Be discreet and don’t accuse the suspect until all the facts are known
- Decide what your objective for the investigation is and seek good advice
- Beware playing detective yourself – there are many dangers
- What is initially recovered may be the tip of the iceberg
- There are several options to recover stolen money
- Seek legal advice about involving the police

Track 9

SHAREMARKET UPDATE

Tim Lincoln, Lincoln Stock Doctor

- We expected bad results from the reporting season but surprisingly all our “star stocks” have shown no more than a small drop
- At the same time we’ll see a deterioration in the health of all 1900 listed companies
- I believe if companies are going to fail they should be allowed to fail without government propping them up
- When parts of failed companies are sold off to better companies it results in stronger entities
- Buy now with a conservative strategy if you have the money
- Favourite stocks: CSL, Cochlear, BHP, The Reject Shop, Reckon Limited, Westpac, JB Hi-Fi

Track 10

NEW BUSINESS TAX BREAK

Michael Jones, Cummings Flavel McCormack

- The government’s proposed business tax break is an incentive to invest in new assets
- If you commit to buy before June 30, 2009, you can claim an extra 30% tax deduction, provided you install the asset by June 30, 2010
- If you buy before December 31, 2009, the extra deduction falls to 10% and the asset must be installed by December 31, 2010
- For small businesses (up to \$2m turnover), the minimum amount that needs to be spent on an asset is \$1000. For all larger businesses, the minimum is \$10,000
- The tax break applies to tangible depreciating assets – software, trading stock and land will not qualify
- Assets acquired by leasing will not qualify, but assets acquired under a hire purchase agreement will
- The legislation is still before Federal Parliament – look out for changes of detail when it’s enacted

Track 11

YOUR HOME IS A BUSINESS TOO

Luke Neale, Save on Bills

- Don’t let the pressures of running a business blind you to savings that can be made at home
- You may be able to save up to \$10,000 a year – and that’s after-tax income
- Working to a budget at home is just as important as it is in your business
- Look at mortgage rates – the convenience of working through a personal banker may not provide the cheapest outcome
- Be prepared to ask questions – credit card interest rates, for instance, can be negotiated down
- Phone bills and insurance premiums can also provide savings – check out the providers to make sure they’re sound

i FOR MORE INFORMATION

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

ECONOMIC FORECAST

Professor Neville Norman,
Melbourne University
neville.norman@unimelb.edu.au

MILK YOUR OWN COWS

Tony Gattari, Achievers Group
T: 02 9440 7373
www.achieversgroup.com.au

CRISIS POINT: WHAT TO DO

Andrew Griffiths,
Oceanic Marketing Group
T: 07 4053 3000
ag@oceanicmarketinggroup.com.au

BORROWING WITHOUT PROPERTY

Michael Davis & Tim Martin,
Causeway Financial
T: 02 9221 3218
www.causewayam.com.au

CHOOSE STRONG ALLIANCES – BUT CAREFULLY

Robin Power, Affinity Maker
M: 0404 114 751
www.affinitymaker.com.au

INVOLVE YOUR STAFF – OR ELSE

Kevin Panozza, Engagement Matters
M: 0418 246922
www.engagementmatters.com

INVESTIGATING INTERNAL FRAUD

Wayne Gladman, Fraud Risk Solutions
T: 03 9497 1422
www.fraudrisk.com.au

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

NEW BUSINESS TAX BREAK

Michael Jones,
Cummings Flavel McCormack
T: 03 9252 0800
enquiries@cfmc.com.au
www.cfmc.com.au

YOUR HOME IS A BUSINESS TOO

Luke Neale, Save on Bills
T: 1800 728 324
enquiries@saveonbills.com.au



New course dates
are now available



AUSTRALIAN
INSTITUTE OF
MANAGEMENT

What's on at AIM

AIM VIC AND TAS

Managing the Future- Dr Terry Cutler

Innovation: the way forward for Australian business

Innovation is much more than just 'new ideas', it's the theme that should underwrite all organisational strategy & is integral to Australia and our business success for the future.

Dr Terry Cutler sits on the board of the CSIRO and is Chair of the expert panel conducting a Review of the National Innovation System on behalf of the Australian Government. At our next Managing the Future lunch, Dr Cutler will dissect his paper: Venturous Australia- building strength in innovation, exploring why now is absolutely the right time to invest in innovation in your organisation.

Date: Friday 8th May 2009

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

Duration: 12.00pm - 2.00pm

Cost: AIM Member: \$120
Non Member: \$140

To book please call the events team on
03 9534 8181

AIM WA

International All-day Seminar

Now, More Than Ever, The People Revolution
Presenters: Dr Stephen Lundin, Mark McCrindle & Glenn Capelli

We're living in a crazy world with increasing pace, complexity and ever-changing rules. Throw in a Global Financial Crisis and watch consumer sentiment and business perception dive. In these times, it's the quality and commitment of your people that will make all the difference, and the time to focus on them is NOW. In this powerful one-day seminar, with internationally renowned speakers, learn how to:

AIM NSW

Building Performance By Managing Staff Commitment- Samantha Johnson, Senior Consultant, Centre for Public Management

Management and leadership research often refers to staff commitment and its importance in good management and leadership practice. However, what's rarely made clear is how to influence commitment, how commitment influences performance and when commitment can be problematic. Researchers tell us there are three types of commitment and only one results in high performance. So, how do you recognise the right type? How do you know if high retention rates translate into high performance? How do you build the type of commitment that brings retention as well as high performance? How do you avoid retaining poor performers?

Date: Tuesday 21st April 2009

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

Duration: 5.30pm-7.00pm

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

To book call 1300 651 811

- Harness the collective talents of your people
- Utilise talent that's right in front of you
- Teach individuals to reach their potential
- Enhance performance by working smarter as teams.

Date: Thursday 30th March 2009

Venue: Hyatt Regency Hotel Perth

Duration: 9.00am to 4.45pm

Cost: Professional Members: \$660
Corporate Members: \$770
Affiliate Members: \$880
Public: \$880



Accountants Who Help You See Further

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

Fringe Benefits Tax & Cars

Did you know that the tax on a car benefit that you provide to your employees decreases as the distance travelled by the car increases?

The table below shows how extra kilometres travelled can reduce your tax bill. Let's assume the base cost of the car that you provide is \$50,000:

Total kilometres travelled during the year	Statutory percentage	Taxable value \$	FBT payable \$	Tax reduction (\$) if lower percentage applies
Less than 15,000	26%	13,000	12,481	Nil
15,000 to 24,999	20%	10,000	9,601	2,880
25,000 to 40,000	11%	5,500	5,280	4,321
Over 40,000	7%	3,500	3,360	1,920

CFMC KEY TAX DATES FOR APRIL AND MAY 2009

01 Apr If cars provided to employees - take odometer reading as of 31 March 2009 for Fringe Benefits Tax calculation.

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

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.

21 May FBT 2009 return: due date for lodgment and payment.

21 May April 2009 monthly activity statement:
final 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.**



Michael Jones,
mjones@cfmc.com.au

Office Details

Level 15, 390 St Kilda Road
Melbourne VIC 3004

T: 61 3 9252 0800 F: 61 3 9252 0801

E: enquiries@cfmc.com.au

E: careers@cfmc.com.au

www.cfmc.com.au





When others are fearful....go fishing for opportunities!

The current sharemarket conditions are laying the foundation for those who are brave enough to get back into the water. Now is the time to take advantage of those 'big game' opportunities and invest in a diversified quality portfolio of Australian equities.

Only companies judged financially healthy earn a place in our portfolio. Using our proven methodology, the Lincoln Australia Share Fund has been consistently positioned in the top quartile among Australian Large Cap Growth Fund Managers.

Minimum investment: \$20,000 for retail units; \$500,000 for wholesale units.

Order your Fund information pack and start investing with increased confidence today.

Call **1300 676 332**
Visit **lincolnindicators.com.au**
Email **enquiries@lincolnindicators.com.au**



As at
28 February 2009

lincoln
Managed
Investments

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 Australasia Pty Limited ABN 95 090 665 544, AFSL 240 892. 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 <http://www.morningstar.com.au/fsg>

Debt Advisory Services

Causeway has an experienced management team with over 100 years collective experience in credit, debt and currency markets.

We are specialists in the middle market sector and can assist borrowers with up to \$100million of debt in their bank/lender negotiations, and currency and interest rate hedging arrangements.

Causeway provides affordable results-oriented outcomes.

For information please call:

David Zipparo:

02 9221 3218 or 0408 013 760

Tim Martin:

02 9221 3218 or 0416 087 444

AFSL 286 005

CAUSEWAY



SALES MASTERY PROGRAM

Achievers Group has put together an all-day program which will give you practical sales tips and techniques, that get you immediate results.

LEARN THE SECRETS FROM SALES GURU—TONY GATTARI

In this workshop you will take away the following strategies:

- Master the 6 steps of the Achievers Group 'Sales Cycle'
- 21 strategies on how to get immediate sales results
- Learn powerful psychological profiling techniques that allow you to sell to any personality type
- Transform from being a salesperson to being a problem solver, through the art of communication and getting others to see your point of view
- The 101 sales tips that will give you an advantage over your competition
- Learn how to build an immediate relationship with your customers

PLUS YOU WILL ALSO RECEIVE:

- A comprehensive workbook which can be used for immediate results in your business
- A Best of Achievers Group CD valued at \$29.95. This is a collection of interviews taken from Australia's leading audio business building program, Business Essentials

Address:
Phone:
Fax:
Website:
Email:

Level 1,284 Bobbin Head Road North Turrumurra
(02) 9440 7373
(02) 9440 7444
www.achieversgroup.com.au
erin@achieversgroup.com.au

WHEN IS IT ON?

- Date:** 17 April 2009
Time: 9.00am – 5.00pm
Venue: The Chatswood Club 11 Help Street Chatswood



HOW TO REGISTER?

1. Go to: www.achieversgroup.com.au
2. Click on Sales Mastery Workshop
3. Book Your Seat Now!

ABOUT TONY GATTARI

Achievers Group Owner and Managing Director Tony Gattari, whose expertise and passion for business runs deep. Tony was General Manager for Harvey Norman Computer and Communications Division where he oversaw the growth of the division from \$12 million to \$565 million in 9 years. Tony has been the Managing Director of a public listed company and also been CEO of a successful technology company. Tony has worked with over 110 small to medium businesses.

Address: Level 1,284 Bobbin Head Road North Turrumurra
Phone: (02) 9440 7373
Fax: (02) 9440 7444
Website: www.achieversgroup.com.au
Email: erin@achieversgroup.com.au

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
licensing and distribution
intellectual property
legal compliance
dispute resolution
international



*If you have an opportunity or a challenge,
DC Strategy can help you build a better and more valuable business.*

DC Strategy

International Head Office

Level 5, 530 Collins Street
Melbourne VIC 3000 Australia

growth@dcstrategy.com
www.dcstrategy.com

Australia

Melbourne +61 (0)3 8102 9200
Sydney +61 (0)2 8220 8700
Brisbane +61 (0)7 3015 7600
Perth +61 (0)8 9426 3477
Canberra +61 (0)2 8220 8700