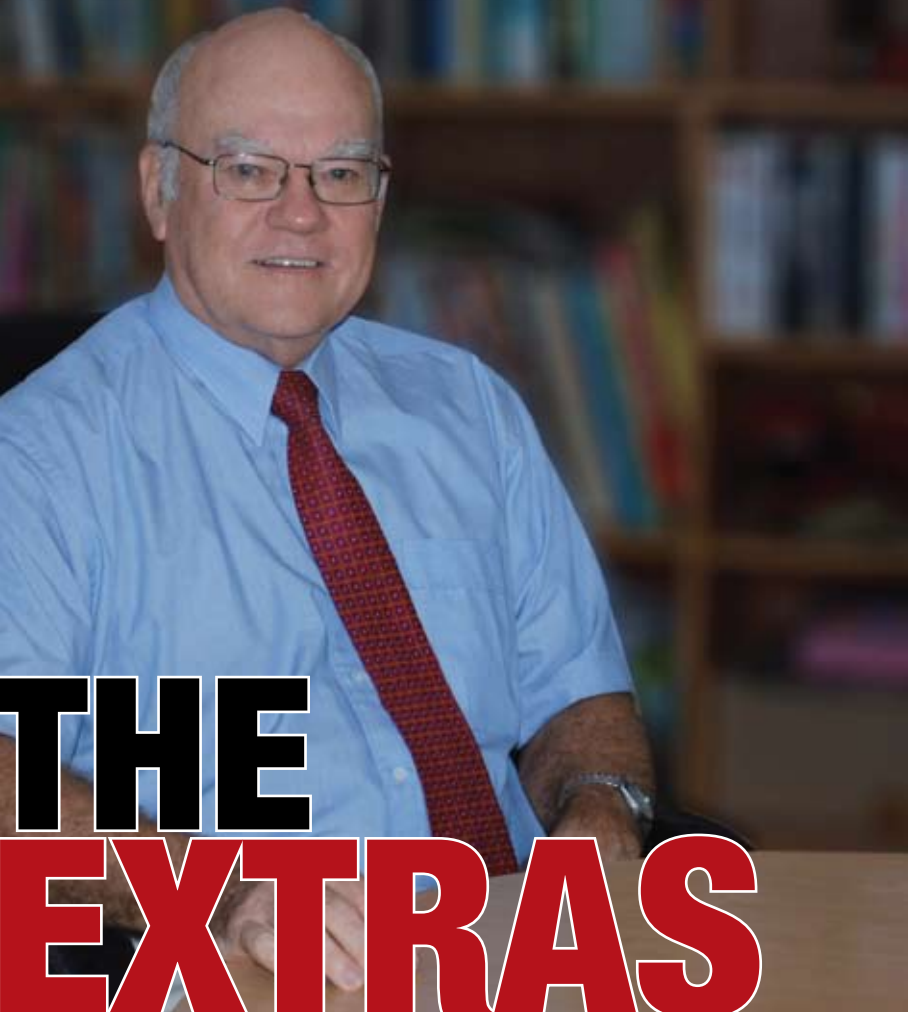


MONTHLY AUDIO PROGRAM

# **B** BUSINESS ESSENTIALS

MAY 2009



# THE EXTRAS

# Introduction



Now is the perfect time to grow your business, taking advantage of those whose businesses might be going under. Now, also, is the time to consider whether you should diversify – deliver cheaper or maybe more expensive products and services, or introduce a new range to find another niche. The experts are giving this kind of advice because they argue that now is when the strong get stronger and the weak get weaker. These economic times provide opportunities therefore that will enable many businesses to grow not only in the short term but also when economic recovery gets underway, which it inevitably will. On this month's program we hear from consultant Graham Haines on the topic of diversification – the pros and cons. And DC Strategy's Managing Director Adrian McFedries gives us much motivation to take action sooner rather than later.

While searching for new opportunities and establishing alliances we must be cautious about potential partners, as Robin Power of Affinity Maker warned us last month. If, however, we're in a partnership and it doesn't go too well, what then? We have advice from Robin Power this month on what to do.

And if you want to know a little more about the behavioural patterns of your staff to establish whether you have them slotted in the right spot, Trevor O'Sullivan has a test you can administer to help them and you. He's prepared to offer free tests for BE members. You'll find his contact details in this Extras booklet.

Enjoy this month's program and I hope you gain plenty of value.

Michael Schildberger  
Executive Chairman

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**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**

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THIS MONTH'S

# ESSENTIALS

## Track 2

### ECONOMIC UPDATE

Professor Neville Norman, Melbourne University

- Latest economic assessment: the bad news continues, except for the stockmarket rallies
- Unemployment is a lagging indicator – don't use it for forecasts
- The Budget: this time, the hardest to frame in decades
- Already the biggest budget estimate turnaround in history:

Fisc Balance\$bn	2008/09	2009/10	2010/11	2011/12	5yrs to June 2012
May 08 Budget	23.4	22.4	22.3	22.6	90.7
Nov Mid Year Review	5.8	7.1	6.7	10.1	29.7
Feb Fiscal Update	-22.4	-33.3	-31.5	-23.9	-111.1
Turnaround in 9 months	-45.8	-55.7	-53.8	-46.5	-201.8

- The dramatic changes reflect the economic downturn, eroding revenue and boosting welfare payments, and policy changes
- The stimulus packages leave a large legacy for future taxpayers to fund, increasing the prospect of higher interest rates
- There'll be great pressure to haul back the ballooning deficits quickly

## Track 3

### OPPORTUNITIES NOW FOR GROWTH

Adrian McFedries, DC Strategy

- In strong times money flows in with little effort. We argue that a lot of money is still left on the table and that's what people look for now
- To grow now you need to strengthen your banking relationship
- Yes, many businesses are down but many others are doing very well
- Uncertainty is the biggest enemy so backing yourself with a strategy is important
- Nothing is worse than stagnation or the inability to make a decision
- If competitors collapse it's likely that 90% of their customers are shopping elsewhere. Why not with you?

THIS MONTH'S

# ESSENTIALS

## Track 4

### SHOULD YOU DIVERSIFY?

Graham Haines, bpi consultants

- If you're thinking of diversifying, first try to identify your competitive advantage
- Decide whether you should aim for new products or new markets
- Talk to customers of other businesses to see if you're on the right track
- Differentiate your product, other than by price
- If that's not possible, find another way of adding value e.g. timely delivery
- Don't forget to guard your own market while you're trying to penetrate someone else's

## Track 5

### AVOIDING STAFF RETRENCHMENTS

Joydeep Hor, Harmers Workplace Lawyers

- Employers are looking for alternatives to retrenchments because they know the good times will return. Terminate in haste and you'll regret through recruitment processes later
- Alternatives include making full-time roles part-time
- Look for valid consent from employees and don't make assumptions about what's best for them. Discrimination claims may result
- Other options include a hiring freeze, job-sharing, asking staff to take leave
- Understand the employees' viewpoint. They may be apprehensive about the consequences later of reducing hours now
- The employment relationship requires fair and transparent communication
- There are no risk-free alternatives although excessive pay-outs may help!

## Track 6

### PERSUADING CUSTOMERS TO BUY

Tony Gattari, Achievers Group

- If you're getting business "leads" but not converting them to customers you're throwing money away
- Measure your conversion rate
- Offer sales staff an extra bonus if they meet the conversion target
- Train sales people to be problem solvers for customers
- Offer customers a 100% money back guarantee
- Get testimonials
- Advertise your vision on your website or any signage

THIS MONTH'S

# ESSENTIALS



Track 7

## REPAIRING A FAILING PARTNERSHIP

Robin Power, Affinity Maker

- If your partnership's in trouble, check whether the original objectives are being met, or whether they've become unrealistic
- A lack of clear and agreed purpose can cause confusion and uncertainty
- Poor communication will lead to a lack of trust at all levels
- Is one of the partners becoming impatient that things aren't happening quickly enough?
- Beware the partnership formed over a CEO lunch – instant chemistry won't be enough to sustain it
- Repairs will often succeed, once the partners recognise that they have a problem

Track 8

## CHOOSING YOUR BUSINESS LOCATION

Peter Buckingham, Spectrum Analysis

- Mine your database – identify who your customers are and where they're located
- Census information, local demographics, types of business in the area can all play a part
- Decide whether your business depends on "spontaneous" customers (passing trade) or whether they'll seek you out
- Don't choose a location on a whim – a rigorous process, using careful research, will serve you better
- If you're a franchisor, you may need to justify your decisions in court if things go wrong
- Different considerations apply to locations in large shopping complexes, smaller centres and retail strips. Do your homework

Track 9

## SHAREMARKET UPDATE

Tim Lincoln, Lincoln Stock Doctor

- I think we're nearing the bottom of the trough
- We all should have seen the gradual deterioration of the market for the four previous years
- Excessive life styles were a sign of bad things, along with increasing interest rates and increasing inflation
- Before buying any share we must look at the financial health of the company
- Favourite stocks: CSL, Cochlear, IMF, The Reject Shop, Reckon, JB Hi-Fi, Woolworths, Wotif.com

Track 10

## TAX UPDATE

Michael Jones, Cummings Flavel McCormack

- Fringe Benefits are taxed at 46.5%. If you earn less than \$180,000, your personal tax rate is lower than that. Therefore you should make an Employee Contribution to reduce the taxable value of your benefit, rather than pay FBT
- Utes are exempt from FBT provided there is only minor private use and the model is on the ATO list of acceptable vehicles
- Unlike other vehicles, travel between home and work in a ute is not considered private use
- Check to see whether a 50/50 concession for calculating FBT on entertainment is the best choice in all circumstances!
- Improvements to the small business CGT concession have occurred. If a business owner claims the replacement asset concession, but fails to buy a replacement asset within 2 years, the retirement exemption can now still be applied at the end of the 2-year period

Track 11

## WHAT MAKES YOUR PEOPLE TICK?

Trevor O'Sullivan, DTS International

- An HR journal reveals that 50% of people in small business leave within the first month of starting. 8% decide to leave on the first day
- Most leave because of managers, not the job itself
- As managers we must communicate the right way, focus on the right things for individuals and motivate them how they want to be motivated
- Profiling employees provides information on how we talk to them
- The true value of profiles comes from the discussion about them
- We use a three step model: understand ourselves, show people how to identify with others' styles and teach them how to adapt to suit others

# **i** FOR MORE INFORMATION

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

## **ECONOMIC UPDATE**

Professor Neville Norman,  
Melbourne University  
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## **OPPORTUNITIES NOW FOR GROWTH**

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## **PERSUADING CUSTOMERS TO BUY**

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## **CHOOSING YOUR BUSINESS LOCATION**

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[www.spectrumanalysis.com.au](http://www.spectrumanalysis.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](http://www.lincolnindicators.com.au)

## **TAX UPDATE**

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[www.cfmc.com.au](http://www.cfmc.com.au)

## **WHAT MAKES YOUR PEOPLE TICK?**

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[www.dtstraining.com.au](http://www.dtstraining.com.au)



New course dates  
are now available



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# What's on at AIM

## AIM VIC AND TAS

### *Managing the Future*

Innovation is much more than just 'new ideas'. It is the principle that should underwrite all organisational strategy and it is integral to Australia's economic success.

Dr Terry Cutler sits on the board of the CSIRO and was Chair of the expert panel which conducted the 2008 review of Australia's National Innovation system. The report 'Venturous Australia - building strength in innovation', makes a number of recommendations under the key themes: innovation in business, strengthening people and skills, excellence in research, information and market design and taxation.

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 VIC AND TAS

### *Eye on Australia*

Now in its 18th year, the Eye on Australia report provides unique and fascinating insights into social trends shaping our country, including how consumers are reacting to the current economic climate, how they're managing their money, how they see the future and what they're doing to achieve balance in these turbulent times.

This year, Simon Rich, Director of Planning, Grey Melbourne, will present some key findings of the 2008 Eye on Australia report.

Date: Thursday 28th May 2009

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

Duration: 7.00am - 9.00am

Cost: AIM Member: \$75  
Non Member: \$99  
Table of 8: \$560

## AIM VIC AND TAS

### *Outstanding Women's Series with Sue Morphet*

The 2009 Outstanding Women's Series has got off to a fantastic start. Join us to hear Sue Morphet of Pacific Brands talk about her journey of success and the pressure of being a CEO in today's business world. Sue was named chief executive of Pacific Brands in August 2007. She commenced her working life in school-teaching before changing direction to run a number of family businesses. Marketing roles in a number of large food and fashion companies followed before she moved up to her current role.

Date: Friday 15th May 2009

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

Duration: 7.00am - 9.00am

Cost: AIM Members: \$80  
Non - Members: \$105

To book please call the events team on  
03 9534 8181

## AIM NSW

### *AIM Your Career - Career Transitions-Special Event*

*Speaker: Dr Ann Villiers, Mental Nutritionist, Mental Nutrition*

The next AIM Your Career forum will focus on 'Career Transitions'. If you are moving jobs or industries, moving from the private sector to the public (or vice-versa), or embarking on a completely new career, the issues you encounter will be many and complicated. As unemployment rises, the market will become increasingly competitive. How do you position yourself to succeed?

Date: Friday 10th June 2009

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

Duration: 11.45am - 2.00pm

Cost: AIM Members: \$25  
Non - Members: \$50



## Accountants Who Help You See Further

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

### Business Investment Bonus Tax Deduction - Dates and Rates

		Investment commitment time	
		30 June 2009	31 December 2009
Installed by	June 2009	30% in 2008-2009	–
	30 June 2010	30% in 2009-2010	10% in 2009-2010
	31 December 2010	10% in 2020-2011	10% in 2010-2011

## CFMC KEY TAX DATES FOR MAY AND JUNE 2009

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

**21 May** April 2009 monthly activity statement:  
final date for lodgment and payment

**May 2009** monthly activity statement:  
final date for lodgment and payment

**30 Jun** End of financial year

### **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,  
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- 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
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Phone:  
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Email:

PO Box 3104 North Turrumurra 2074  
To register on 0411 462 515  
(02) 9440 7444  
[www.achieversgroup.com.au](http://www.achieversgroup.com.au)  
[erin@achieversgroup.com.au](mailto:erin@achieversgroup.com.au)

## WHEN IS IT ON?

<b>Date:</b>	28 August 2009
<b>Time:</b>	9.30am – 5.30pm
<b>Registration:</b>	9.00am
<b>Venue:</b>	The Chatswood Club 11 Help Street Chatswood



## HOW TO REGISTER?

1. Go to: [www.achieversgroup.com.au](http://www.achieversgroup.com.au)
2. Click on Sales Mastery Workshop

## 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.

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*If you have an opportunity or a challenge,  
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### DC Strategy

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