

MONTHLY AUDIO PROGRAM

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

JUNE 2009



# **THE** **EXTRAS**

# Introduction



When we think about customer service do we consider our internal customers, such as suppliers and our staff? We try to look after our staff in terms of pay and amenities but do we do enough to ensure they enjoy their time at work and that they're kept well informed? Do we do enough to encourage them to participate in everyday activities, to communicate their thoughts? A very successful entrepreneur, Carolyn Creswell has given much thought to these issues and has built a substantial global business. Her business, Carman's Fine Foods, now sells in 23 countries as well as around Australia. After starting with a few packets of muesli she showed enormous persistence and beat the odds against her. To get the most value from her team, she provides an office nanny and encourages her staff to eat together at lunch each day. Carolyn's achievements make good listening.

In terms of achievements, we must again praise our economist Professor Neville Norman. When he forecast last year that we would see the start of an economic recovery later this year, the so-called experts laughed. Now, the Governor of the Reserve Bank and US leaders are saying the same. More from Neville Norman and his thoughts on how the Federal Budget will impact small to medium businesses on this month's CD.

Plenty more as usual again this month, but also some changes at Business Essentials which we hope will benefit you directly. You will be able to pass on some of our interviews to your customers and, if they choose to sign up with us, you will earn a considerable commission. Not only will this help you to maintain contact with your clients and customers, you will also receive an on-going revenue stream. My son Nick, now our Managing Director, explains on the CD.

Enjoy.

Handwritten signature of Michael Schildberger.

Michael Schildberger  
Executive Chairman

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## Track 2

**THE FINANCIAL YEAR AHEAD**

Prof. Neville Norman, Melbourne University

- It's official: big deficits and debts for a few years. That's evident from this table:

Fiscal Balance, \$bn	2008/09	2009/10	2010/11	2011/12	5yr to June 12
May 08 Budget	23.4	22.4	22.3	22.6	90.7
Nov Mid Yr Review	5.8	7.1	6.7	10.1	29.7
Feb Fiscal Update	-22.4	-33.3	-31.5	-23.9	-111.1
May 09 Budget	-32.1	-57.6	-57.1	-44.5	-191.3
T/around in 12mths	-55.5	-80	-79.4	-67.1	-282

- The main causes are a huge reduction in expected tax revenues, especially company tax
- Looking into all the program and tax policy announcements, my main reflection is how little was done to claw back these big deficits
- Business needs to ask these questions:
  1. Is the government scared about the consequences of being tougher?
  2. Is this postured on an early election, with the real tough stuff coming later?
  3. Are the economic forecasts credible?
- My answer to Question 3 is to cast doubt on them: if growth is better than the Budget projections, revenue and budget outcomes next year will look better still
- The Government underpins its gloomy forecasts by expecting a big slash in private business equipment spending. Being so gloomy won't help

## Track 3

**POST-BUDGET TAX UPDATE**

Michael Jones, Cummings Flavel McCormack

- Small business investment allowance increased and extended (see table on P10)
- Use of private company property by shareholders to be taxed
- Non-commercial loss rules tightened
- Maximum tax-deductible superannuation contributions halved
- 50% reduction in minimum pension payments retained for 2010 tax year
- Exemption removed for Australians working overseas for more than 90 days

THIS MONTH'S

# ESSENTIALS

## Track 4

### **PROPERTY: THE STATE OF PLAY**

Nicholas Don, Odyssey Financial

- The housing market is very active, particularly in the middle range
- Low interest rates and high rental yields are attracting investors uncertain about the sharemarket
- Fixed interest rates remain a good proposition – before official rates start to rise again
- Business owners without the time to explore options should work through independent advisers, not just for finance but for insurance too
- The future looks brighter – building approvals have risen steadily in recent months
- That activity can be expected to flow on quickly into construction and building services

## Track 5

### **HUGE REWARDS FOR PERSISTENCE**

Carolyn Creswell, Carman's Fine Foods

- Running a business while still a student was tough, but the effort paid off
- Sheer persistence was the key to bringing the major supermarkets and Qantas on board as customers
- The company's now exporting to 23 countries, with the US market holding most potential
- Keeping the workforce happy is crucial. We use simple but imaginative strategies to maintain their motivation
- An "office nanny" makes sure simple but important tasks are done and help is always available
- Work-life balance is important. I limit my hours in the business, but I'm totally focused when I'm there

## Track 6

### **LESSONS FROM THE FRONT LINE**

Andrew Vincent, Your Business Success

- When people start a business they don't realise that running it is much more than their professional skill
- They finish up learning marketing, people management and money management by trial and error
- The first step for business success is to set a vision to differentiate the business from the competition
- You have no choice - even if you don't want to be a leader, you must be one
- You must be prepared to learn – not so much from seminars but from other people

THIS MONTH'S

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## Track 7

### WORKING UNDER NEW IR RULES

Joydeep Hor, Harmers Workplace Lawyers

- The new Fair Work Act which comes into effect on July 1 2009 replaces the Howard Government's Work Choices legislation
- The main impact on small to medium-sized businesses will be potential unfair dismissal claims
- Previously companies with 100 or fewer employees were virtually immune. Now it'll be 15 or fewer
- Even companies with 15 or fewer staff will have to demonstrate compliance with a small business fair dismissal code
- Contractors and casual staff will be dealt with separately
- Business owners now should carefully assess their exposure to changes

## Track 8

### MAKING MORE OF THE INTERNET

Tim Reed, MYOB Australia

- The MYOB Australian Small Business Survey shows that 60% of businesses don't have a website
- They're missing out because more Australians are shopping online or researching to shop online
- The reasons are possibly fear and until recently the business environment has been so good
- The biggest opportunity in a website is establishing new client relationships
- Even if people buy in-store they often find store locations on the Net
- Now is a great time to do it in this tough business environment

## Track 9

### EVERYONE NEEDS A SYSTEM

Tony Gattari, Achievers Group

- If you don't have systems in your business you don't have a business – just a job
- Ask yourself “do the systems support the business vision?”
- Do your systems help define your brand and create your level of service?
- McDonald's is a system which allows a 16 year old to run the business
- Will your systems be relevant in five years?
- Good systems can make average people look great

THIS MONTH'S

# ESSENTIALS

Track 10

## SHAREMARKET UPDATE

Tim Lincoln, Lincoln Stock Doctor

- The recent surge has been welcome, but the market remains unpredictable
- Economic indicators like retail sales and unemployment have produced unexpected results which increase the confusion
- Contrarian investors “bottom-fishing” for bargain stocks have added to the market activity
- The latest Lincoln Health of the Market Report shows only a slight decline, raising hopes that a recovery could be under way by December
- Star stocks: Reckon, Wotif.com, CSL, Woolworths, JB Hi-Fi, Westpac and BHP Billiton

Track 11

## NEW DIRECTIONS BRING OPPORTUNITIES FOR YOU

Nick Schildberger, Business Essentials

- Our subscribers are now “members” as we’re no longer delivering a single product. We now deliver more regular content on our website
- We’re interacting more with our members through our website
- We’ll continue producing CDs because they’re mainly listened to in the car
- Our biggest point of difference is that our content is audio-based, not text
- We’ll now help members to pass on some of our content to their customers as a “value add”
- If members refer their customers to us, and they too become members, we’ll pay a 30% commission to the original member
- We’ll provide content and draft text in email form to make the whole process easy for members to pass on to their database.
- Our website, [www.BusinessEssentials.com](http://www.BusinessEssentials.com) will be global

# **i** FOR MORE INFORMATION

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

## THE FINANCIAL YEAR AHEAD

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

## POST-BUDGET TAX UPDATE

Michael Jones,  
Cummings Flavel McCormack  
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www.cfmc.com.au

## PROPERTY: THE STATE OF PLAY

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## HUGE REWARDS FOR PERSISTENCE

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## LESSONS FROM THE FRONT LINE

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Your Business Success  
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## WORKING UNDER NEW IR RULES

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## MAKING MORE OF THE INTERNET

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## EVERYONE NEEDS A SYSTEM

Tony Gattari,  
Achievers Group  
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www.achieversgroup.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 DIRECTIONS BRING OPPORTUNITIES FOR YOU

Nick Schildberger,  
Business Essentials  
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n.schildberger@be.com.au  
www.businessessentials.com



New course dates  
are now available



AUSTRALIAN  
INSTITUTE OF  
MANAGEMENT

# What's on at AIM

## AIM VIC AND TAS

### *The Economy Ahead with Neville Norman*

Join us for breakfast as Professor Neville Norman discusses the economy ahead, dissects some of the Federal Government's budget and explains the implications for you and your business.

Professor Norman has accurately predicted the growth of the economy and changes in interest rates for many years and, in the midst of this economic crisis, his analysis and forecasts are more relevant than ever. As well as providing advice to governments and companies of all sizes, Professor Norman has also appeared on the monthly editions of Business Essentials audio program for the past 25 years.

Be prepared for what Neville describes as a "slightly maverick" but research-based and highly experienced view of the economy ahead, including valuable industry tips and some important warnings on interest rate movements - upwards!

A powerful and provocative speaker, committed to increasing your understanding of how the economy actually works, Professor Norman will make the facts and figures come alive. He's living proof that economics is NOT "the dismal science". An experienced academic teacher and researcher, business consultant and analyst, media and video performer Neville will be sure to educate and inform you.

**Date:** Wednesday 17th June 2009

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

**Duration:** 7.00am-9.00am

**Cost:** AIM Member: \$75  
Non Member: \$95

To book please call the events team on  
03 9534 8181

## AIM NSW

### *Recession to Recovery Lunch*

Recession to Recovery is a new AIM Lunch event featuring two pre-eminent speakers on subjects of crucial importance.

Session 1 - What's the depth of our economic problem?

Chris Richardson - Director of Access Economics and one of this country's leading and most respected macroeconomists - will present his perspective on the current economic situation. His expertise includes the Australian and global economies, Federal budget analysis and property, ageing and industry trends.

Chris is the author of Business Outlook, the Business Review Weekly's Fundamentals column, and is often asked to comment on economic trends.

Session 2 - How can we build a low carbon solution?

The second session will explore the idea that creating low carbon jobs and economic activity is crucial in solving the global financial crisis. Our speaker will be John Connor, highly regarded CEO of The Climate Institute. John trained as a lawyer and worked in the NSW Land and Environment Court before becoming a researcher for Peter MacDonald, the Independent member for Manly.

Having become over the past two years "the national face of climate change", John is passionate about "embedding the issue in political and public consciousness".

**Date:** Wednesday 17th June 2009

**Venue:** The Westin Sydney  
1 Martin Place

**Duration:** 12pm Registration & drinks  
12.20pm - Lunch  
2.00pm - Concludes

**Cost:** AIM Members: \$125  
Non - Members: \$175  
Corporate Partner  
table of 10 \$1500  
Table of 10: \$1650



## Accountants Who Help You See Further

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

### Increase and extension of the Investment Allowance for Small Businesses

		Tax Break
Installed by	30 June 2009	50% claimed in the 2009FY
	30 June 2010	50% claimed in the 2010FY
	31 December 2010	50% claimed in the 2011FY

## CFMC KEY TAX DATES FOR JUNE AND JULY 2009

21 Jun	May 2009 monthly activity statement: final date for lodgment and payment
30 Jun	End of financial year
14 Jul	Employers to issue PAYG payment summaries to employees
21 Jul	June 2009 monthly activity statements: final date for lodgement and payment
28 Jul	Quarter 4 (April - June 2009) PAYG & GST statements: final date for lodgement 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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# **SPECIAL OFFER!**

## **2 YEARS BUSINESS ESSENTIALS SUBSCRIPTION FREE\***



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**Contact Odyssey for a free financial review meeting  
1300 362 489**

104 Auburn Rd Hawthorn Vic 3122

P: 03 9818 6700 F: 03 8610 0366 M: 0412 352099

E: [info@odysseyfinancial.com.au](mailto:info@odysseyfinancial.com.au) W: [www.odysseyfinancial.com.au](http://www.odysseyfinancial.com.au)

## 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.

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In this workshop you will take away the following strategies:

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Address:  
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Fax:  
Website:  
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.

<b>Address:</b>	PO Box 3104 North Turrumurra 2074
<b>Phone:</b>	To register on 0411 462 515
<b>Fax:</b>	(02) 9440 7444
<b>Website:</b>	<a href="http://www.achieversgroup.com.au">www.achieversgroup.com.au</a>
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