

businessessentials

Advice and ideas to grow your business - presented by Michael Schildberger

October 09 | Audio CD



the extras

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Do we enjoy ourselves at work? Do those who work in our enterprise have fun? And how about our customers and suppliers, do they enjoy dealing with us? We hope the answer to those questions is yes – but do we ensure we think about providing the fun element? Naomi Simson heads an organisation that sells fun and she's a great believer in it. Indeed, she says that fun in your enterprise will increase your profits. Naomi stepped out of the corporate world and established RedBalloon which provides many thousands of surprises and gift ideas to staff, customers and suppliers of businesses large and small. Naomi is a very positive person and is happy to talk about the benefits of positivity – and fun. I'm sure you'll enjoy my interview with Naomi on this month's CD.

While we're having fun we need to consider what will happen to our business when we decide to leave. How can we be replicated? Yes, we need to think about it. Is there a logical successor? Is it a family member or someone who has worked for the business for many years? Or is it someone from outside who will need to learn the business? An expert on the subject is David Henderson of ROCG who gives his thoughts this month.

In the meantime we should pay attention to what pricing strategies we will adopt when we come out of the economic downturn. There has been so much discounting in recent months and we must ask ourselves whether that will continue because of customer expectations or can we reduce the cut price wars? Jon Manning of Sans Prix gives us his views.

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

A handwritten signature in black ink that reads "Michael". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Michael Schildberger

Executive Chairman

Track 2

ECONOMIC UPDATE

Professor Neville Norman, Melbourne University

- Indicators of both confidence and substance are turning positive
- There's a mood swing against stimulus packages as we confront higher interest rates
- Mainstream economists are swinging (fast) to view higher interest rates as a certainty in the stronger economic outlook
- Hiring is up (although not everywhere) and confidence indicators are looking strong
- The ABS June quarter 09 national accounts were up 0.6%
- However, gross capital expenditure fell 2.3% and real disposable income fell in 08/09. Parts of NSW and WA are lagging and in slump conditions
- Budget balance forecasts now need to be revised – why wait until December?

Track 3

PRICING STRATEGIES AFTER THE DOWNTURN

Jon Manning, Sans Prix

- Sales need to be managed strategically – many things can go wrong
- Reducing prices also reduces customers' reference points - they'll be disappointed when prices go up again
- Re-evaluate your products, refocus on your customers, review your payment terms. Beware increasing prices across the board
- Assess your market segments – they will have changed in two years
- If you can see light at the end of the tunnel, position yourself for growth
- If you're in a lagging industry, consider unbundling strategies
- Companies don't win price wars, only customers do - take a strategic approach

Track 4

TAKING FUN SERIOUSLY!

Naomi Simson, RedBalloon

- We expect so much from employees and they're far more productive if they're having fun
- It's OK to mix business with pleasure
- Innovation is about taking risks, being creative and challenging
- Leadership to me is about vision, values and alignment but I'm not the greatest manager
- I never worry about things I can't have an impact on

Track 5

BEWARE NEW UNION POWERS – AND PREPARE

Joydeep Hor, Harmers Workplace Lawyers

- There's a greater emphasis on human rights in the new legislation – the Fair Work Ombudsman can initiate prosecutions for alleged discrimination or harassment
- Hiring employees as contractors will come under closer scrutiny
- Employers who've ignored unions in the past will find it more difficult under the "good faith" bargaining provisions
- The unions will take every opportunity to regain lost ground – employers need to prepare as a matter of urgency
- The new legislation retains a tough line on industrial action, but momentum and emotion in a dispute can quickly escalate
- The new legislation also provides opportunities for employers, if they're pro-active and develop a healthy relationship with their workforce

Track 6

HOW DO I REPLICATE MYSELF?

David Henderson, ROCG

- A possible purchaser won't be interested in a business that's wholly dependent on its founder

- Develop systems and procedures that will provide continuity
- Allow for the purchaser to develop a hands-on role in the business
- Younger family members are not always keen to follow their parents into the business – you may have to look outside
- You'll get a better price if you prepare your own exit strategy early

Track 7

BORROWING IN YOUR SUPER FUND

Michael Jones, Cummings Flavel McCormack

- The ability for self-managed super funds to borrow in limited circumstances creates opportunities
- Borrowings must be on a limited recourse basis. This increases the lender's risk, so loans are generally limited to only 50-70% of the asset value and interest rates are often higher
- Care is required to avoid nasty stamp duty and capital gains tax surprises
- Negatively geared borrowings are not appropriate for super funds
- Super funds generally pay only 10% capital gains tax, or none at all if the fund is in pension mode. That's a real benefit when the asset is sold

Track 8

THE ABC OF ENTREPRENEURSHIP

Peter Cahill, Domain Hill

- The ABC Principle explains the need to work in the Abstract, Business and Creative thinking spaces at the same time
- Most business people are comfortable working in the Business space
- The Abstract space is about vision, imagination, belief, optimism
- Creative thinking is where ideas are born, fuelling innovation
- Combining all three can be achieved through practice and hard work

Track 9

LOW-COST LEAD GENERATION

Tony Gattari, Achievers Group

- Systemise your referrals process and prepare your referees well ahead
- Use networking, create an inspirational message but remember it's not about "you" but about "them". Get cards and follow up within 72 hours
- Word of mouth is very powerful. Reward advocates of your business
- Direct mail offers some great opportunities now
- Consider host beneficiary arrangements with people in the same market
- Test and measure your leads. You must!

Track 10

SHAREMARKET UPDATE

Tim Lincoln, Lincoln Stock Doctor

- It's been a terrific reporting season with many companies delivering above expected results
- We're still 50% below the peak of 2007 so many bargains exist
- Healthcare is a standout sector
- Favourite stocks: Austin Engineering, Mermaid Marine, Neptune Marine, wotif.com, Super Cheap Auto

Track 11

HOW TO BE A GREAT MANAGER

Darren Bourke, Business Influence

- Great managers set the strategic direction for the business, taking swift, timely and direct action when it's needed, but knowing when to hold back
- They motivate people by giving them some "skin in the game"
- They motivate people through their own contagious enthusiasm
- They set up rolling check-in points to monitor progress at a business and individual level. In between, they leave people to do their job
- Feedback, through periodic one-on-one meetings or other means, is crucial to changing behaviour – but it has to be constructive

For more information about the topics discussed on this October 2009 program, please contact the relevant organisations listed below.

ECONOMIC UPDATE

Professor Neville Norman
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PRICING STRATEGIES AFTER THE DOWNTURN

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BEWARE NEW UNION POWERS – AND PREPARE

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HOW DO I REPLICATE MYSELF?

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BORROWING IN YOUR SUPER FUND

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SHAREMARKET UPDATE

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

HOW TO BE A GREAT MANAGER

Darren Bourke, Business Influence
T: 03 9813 1203
www.businessinfluence.com.au



New course dates
are now available



no limits

What's on at AIM

AIM VIC

Partners in Business

The Partners in Business: Women in Leadership Lunch is an annual event hosted by the Australian Institute of Management (AIM), Law Institute of Victoria (LIV), Financial Services Institute of Australasia (FINSIA) and the Association of Professional Engineers, Scientists and Managers Australia (APESMA).

This corporate networking event provides a unique opportunity to meet with professionals from a broad range of related industries and hear high-profile women share the experience gained from their leadership roles in the community. Join us to hear the stories of three outstanding women executive leaders from three very different organisations.

Swedish-born Kristina "Kikki" Karlsson decided to set up a home office almost ten years ago. Today she is creative director and founder of international fashion stationery label Kikki.K Swedish Home/Office Style, with 31 retail boutiques in Australia & New Zealand, and an online store that services the world. When she started out, Kristina struggled to find the stylish but practical products she had grown used to in her native Scandinavia. So she designed her own.

Larke Riemer is National Head of Women's Markets for the Westpac Banking Corporation and heads a team of State Managers driving strategies that offer women the banking tools they require to run a successful business. Westpac's recognition of this rising force is central to its role as Australia's leading business bank and bank of choice for women.

Elizabeth Kennedy is currently Corporate Counsel for The Royal Women's Hospital having been, until August 2005, in-house lawyer for both the Women's and The Royal Children's Hospitals. She deals on a daily basis with a wide range of health professionals and hospitals and their issues and has written many legal articles in the health area.

Date:	Thursday 22nd October
Venue:	Grand Hyatt, 123 Collins Street, Melbourne
Duration:	12.00pm - 2.30pm
Cost:	AIM Members: \$99pp or Table of 10 \$950. Non-Members: \$120pp

To book, call Events on 03 9534 8181 or visit aimvic.com.au/events.

AIM SA

Turn Around Your Business: What to do when your business is not making a profit

All businesses at one time or another experience a downturn in profit, and many go broke because they have not planned in advance what to do. There are solutions to surviving in tough economic times, and planning for a future event is the key to a successful business.

This presentation, by Brian Lucas, covers 10 areas in your business that you can alter, including improving cash flow, reducing debt, untying capital, negotiating lead times, identifying profitable customers, getting free advertising and staffing. A must-see event for anyone in small business.

Brian Lucas has worked for several large organisations including Woolworths, Hungry Jacks, Pennywise and Bilo supermarkets, before starting several successful companies of his own. He has recently been awarded as President of the Entrepreneurs Organisation and sold his share in the financial planning company Kensington Financial Services.

He has written four best-selling books on management, increasing profits and financial planning. He is also a graduate of the Hong Kong University Entrepreneur Studies, has a Master's in Financial Planning, and is a Certified Financial Planner and competent Toastmaster.

Date:	Thursday 1st October
Venue:	Centre for Management Development, 180 Port Road, Hindmarsh, 5007.
Duration:	4.00pm - 5.30pm. Registration from 3.30pm
Cost:	AIM Members: \$45 Non-Members: \$60

To book, visit aimsa.com.au/events or call 08 8241 8000

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David Kent, Michael Jones
and Neil Flavel lead
a group of dedicated
taxation professionals.



CFMC KEY TAX DATES FOR OCTOBER AND NOVEMBER 2009

- 21 Oct Sep 2009 monthly activity statements & annual PAYG instalment: final date for lodgment and payment.
- 28 Oct Quarter 1 (July - September 2009) activity statements: final date for lodgment and payment.
Final date for electing to pay GST by instalments or to elect to report PAYG or GST annually.
- 31 Oct PAYG withholding where ABN is not quoted and PAYG withholding from payments to non-residents: final date for lodgment of annual withholding report.
Annual GST return: final date for lodgment and payment
Income tax returns of individuals, partnership & trusts: final date for lodgment.
Income tax returns of companies and superannuation funds with one or more prior year tax returns outstanding as at 30 June 2009: final date for lodgment.
- 11 Nov Quarter 1 (July - September 2009) activity statements: final date for electronic lodgment and payment.
- 21 Nov Oct 2009 monthly activity statements: final date for lodgment and payment.
- 28 Nov Quarter 1 (Jul - 30 Sept 2009) superannuation guarantee charge statement: final date for lodgment and payment.

* Different dates apply if a tax agent is used.

If you want a copy of our monthly newsletter Viewpoint e-mail Marnie at mdobson@cfmc.com.au or go to our website www.cfmc.com.au

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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.



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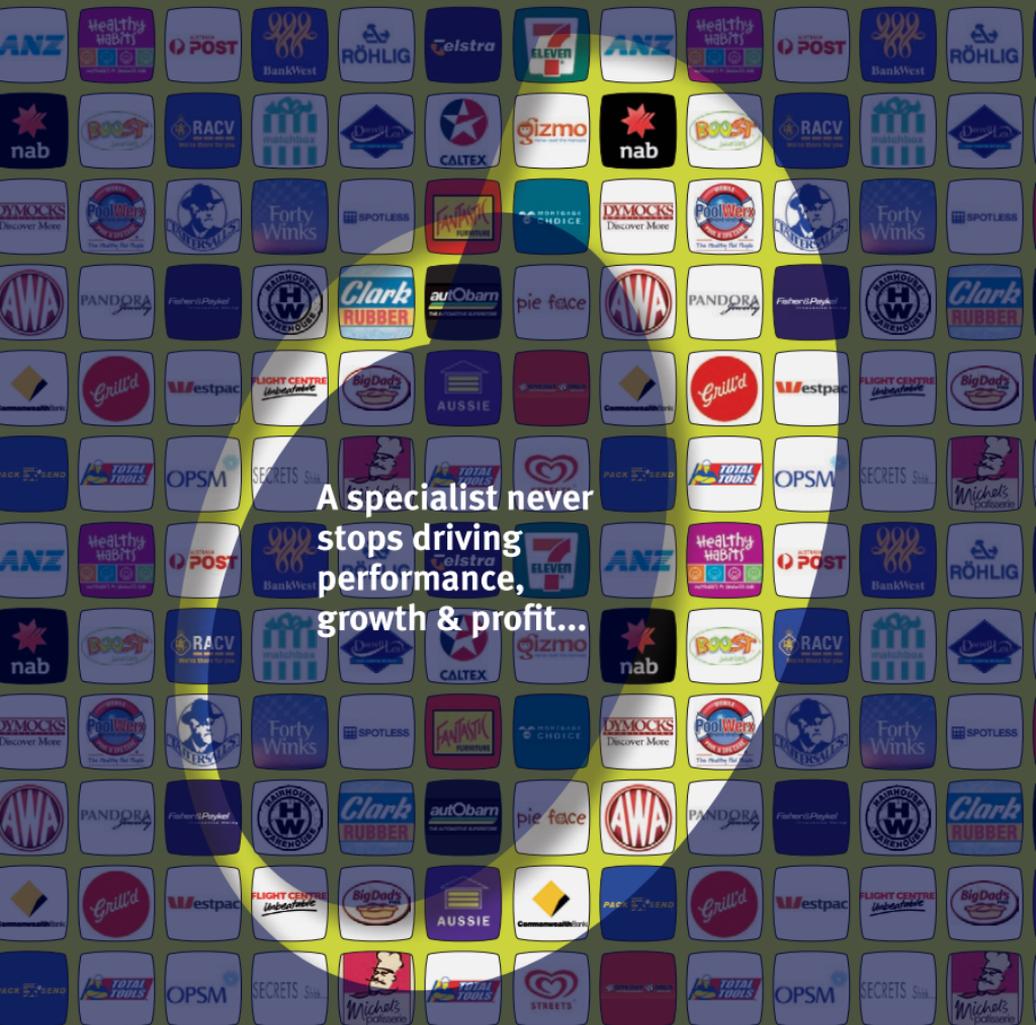


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