

# businessessentials

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

March 2010 | Audio CD



the extras

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There's not much we can do about such areas as increasing interest rates and their direct effect on our enterprises, but we do need to prepare ourselves for the impact of the new IR laws. Is our workplace flexible enough, for example, to handle requests of our staff members? Can we provide the right answers if we need to face an IR audit? Have we made decisions, as we should, purely for business reasons when we're challenged by a union representative? Correct answers to questions such as these will not only be important to our business, they will be critical in terms of avoiding potential penalties. Joydeep Hor of Harmers Workplace Lawyers gives us a list of watchouts on this CD.

Also on the administrative side of running your business, be sure you have a good understanding of what you need to know – ranging from the preparation of business reports to being able to read financial numbers. Too many business owners and operators don't know enough, says John Cleary of Blue Chip Consulting Group.

As always on this CD we bring you some sales and marketing ideas and we suggest you should use video testimonials. Many of your happy customers would be pleased to say good things about you. And at Business Essentials we are able to help you compile such testimonials very cost effectively. You can use them on your website or at a trade show.

On the economic front our regular, reliable, Professor Neville Norman tells us this year will be better than last year, but rocky times still lie ahead and interest rates will rise.

I hope you enjoy the program.

Regards

A handwritten signature in black ink that reads "Michael". The signature is written in a cursive style with a long horizontal flourish extending to the right.

**Michael Schildberger**

Executive Chairman

## Accountants Who Help You See Further

Cummings Flavel McCormack are accountants who provide accounting, auditing and business advice to business owners. Cummings Flavel McCormack also provides tax consulting services.

### Tax Consulting

Tax law is relevant to every major business and investment decision. Understanding the latest developments in tax is difficult.

The Cummings Flavel McCormack tax consulting practice works with clients to evaluate the taxation risks and benefits applicable to their business and investment plans.

We are proud of our ability to untangle the complexities of tax law to produce commercially practical tax advice that the client can understand and act on with confidence.

We have significant breadth of experience, having worked with successive governments in tax law development and holding key positions on advisory and education committees with professional tax bodies.

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



## CFMC KEY TAX DATES FOR: MARCH AND APRIL 2010

**21 Mar 10** Quarter 2 (Oct - Dec 2009) monthly activity statement: final date for lodgement and payment.

**21 Apr 10** Quarter 3 (Jan - Mar 2010) activity statements: final date for lodgement and payment for statements containing a monthly GST obligation.

**28 Apr 10** Quarter 3 (Jan - Mar 2010) activity statements: final date for lodgement and payment.

**Quarter 3 (Jan - Mar 2010) superannuation guarantee contribution:** last day for payment to a superfund provider.

**Quarter 3 (Jan - Mar 2010) PAYG instalments:** final date for payment for forms R and T.

**Quarter 3 (Jan - Mar 2010) GST instalments:** final date for payment for forms S and T.

## CAR FRINGE BENEFITS: STATUTORY FRACTION 2010

Total Annual Kilometres	Statutory Fraction
Less than 15,000km	26%
15,000km to 24,999km	20%
25,000km to 40,000km	11%
More than 40,000km	7%

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For more information about the topics discussed on this March 2010 program, please contact the relevant organisations listed below.

### **ECONOMIC UPDATE**

Professor Neville Norman  
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### **ARE YOU READY FOR AN I.R. AUDIT?**

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### **“BUSINESS AS USUAL” – NOT ANY MORE!**

Ian Berry, Differencemakers Community  
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### **PUTTING YOUR TEAM'S INSTINCTS TO WORK**

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### **CREATING AN INSANE AMOUNT OF MOMENTUM**

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### **THE BENEFITS OF VIDEO TESTIMONIALS**

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### **IS SALARY PACKAGING WORTHWHILE?**

Aytunc Tezay  
Australian Salary Packaging Industry  
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### **IMPROVING THE VALUE OF BUSINESS REPORTS**

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### **SHAREMARKET UPDATE**

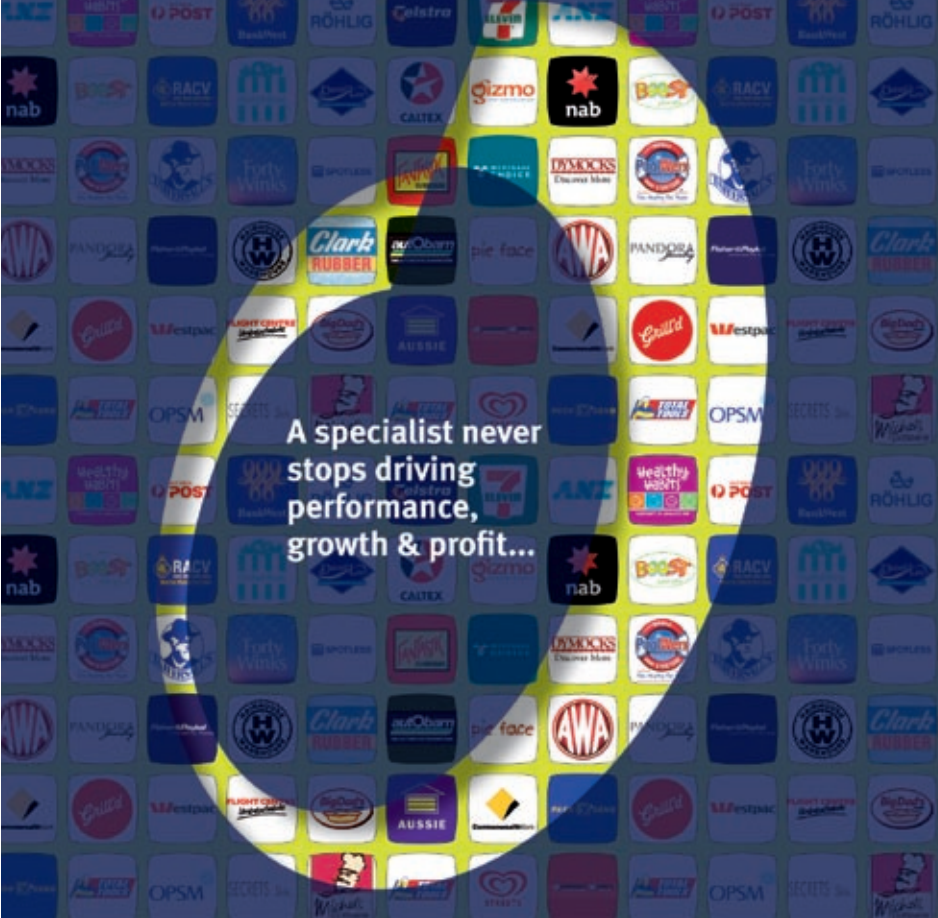
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### **TAX UPDATE**

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### **IS YOUR HEALTH DAMAGING YOUR BUSINESS?**

Dr John Lang, Good Health Solutions  
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# THE ESSENTIALS

March 2010

## Track 2

### ECONOMIC UPDATE

**Professor Neville Norman, Melbourne University**

- As summer ends, there's been mixed news on the economy, both here and overseas
- The Reserve Bank decision in February not to raise interest rates came as a surprise, but we can still expect increases during the year
- International developments can affect interest rates, taxes and government subsidies, and therefore small business
- China's continuing strength has been a boon for the resources industry, but inbound tourism remains sluggish because the US and Europe are still not in recovery mode
- Other sectors, like lawyers and accountants, are looking to the Henry Report on tax to generate new business
- The Federal Government's May Budget will revise some of last year's estimates upwards to take account of a stronger-than-expected economy

## **Track 3**

### **ARE YOU READY FOR AN IR AUDIT?**

#### **Joydeep Hor, Harmers Workplace Lawyers**

- The National Employment Standards and Modern Awards came into effect on January 1 – employers need to understand their implications
- 50,000 businesses are scheduled to receive a “targeted education visit” from the Fair Work Ombudsman this year
- If audits take place, fines of up to \$33,000 for each breach of the law can be imposed
- Business operators need to make sure their contracts of employment are up-to-date and conform with the law
- Every business needs to understand the issues that are important to its workforce, and be prepared to deal with them
- Flexible working arrangements could be the biggest area of difficulty for employers – they must have a sound business reason for turning down requests

## **Track 4**

### **“BUSINESS AS USUAL” – NOT ANY MORE!**

#### **Ian Berry, Differencemakers Community**

- The “new world” of business will be more about giving than taking



- Greed won't disappear, but those in business for profit alone will become dinosaurs
- Most businesses are initially resistant to change, but those who embrace it can achieve phenomenal bottom-line results
- The business case for sustainability is now well made. Accept it and get on with it
- Companies like Cirque du Soleil and Virgin have succeeded by embracing change and revolutionizing their industries
- Replace your outdated vision statement with a compelling story, move from mission to a cause beyond profit and replace values with virtues

## **Track 5**

### **PUTTING YOUR TEAM'S INSTINCTS TO WORK**

#### **Andrew O'Keeffe, Hardwired Humans**

- Many common complaints from business owners stem from a common source: we all employ people
- From our earliest history, we lived and worked in groups of about seven – the family group – and about 150, the traditional village
- Our living habits changed with the Industrial Revolution when we moved into offices and factories but research shows that work teams become dysfunctional if they're smaller or larger than 7
- The successful travel firm Flight Centre takes it so seriously that they'll open another shop rather than add an eighth member to an existing team

- And if senior managers have more than 7 people reporting directly to them, they'll lose track, and "inner cabinets" will form – a sign of growing dysfunction
- British research has linked the "village" of 150 to the capacity of the human brain – large companies need to think how they handle organic growth
- We can't override these basic instincts, but we can put our knowledge to good use, designing work teams that will function effectively

## **Track 6**

### **CREATING AN INSANE AMOUNT OF MOMENTUM**

#### **Tony Gattari, Achievers Group**

- Set out what you want to achieve – not just in outline, but down to the fine detail of your key indicators
- Take massive amounts of action, tackling the lowest-cost marketing items first
- Once you've taken action, review it. And don't let ego get in the way of clear judgment
- If you're not getting results from something, stop doing it
- But if it IS working, celebrate the achievement and keep on doing it. Don't change things that don't need changing
- Learn from the success of others – that's how Harvey Norman came to dominate Australian computer sales

## Track 7

### **THE BENEFITS OF VIDEO TESTIMONIALS**

#### **Jack Creswick, Business Essentials**

- Video testimonials work very well on a company website, enabling potential customers to evaluate a product or service through the experience of others
- Most satisfied customers are more than happy to endorse a product or service that they value
- Business Essentials has long experience in providing video for clients, including testimonials, and can offer members a quick, cost-effective service that will benefit their business
- Video testimonials are also useful at trade shows, in email newsletters, direct sales or other forms of marketing
- See examples on our own website, [www.be.com.au/testimonials](http://www.be.com.au/testimonials)

## Track 8

### **SALARY PACKAGING: HOW TO GET IT RIGHT**

#### **Aytunc Tezay, Australian Salary Packaging Industry Association**

- Salary packaging may not be a high priority in small business, but it can be helpful in hiring or retaining good employees
- It's possible to outsource to salary packaging specialists, with the costs passed on to the employee
- Different rules apply to not-for-profit organizations, which have FBT exemptions

- In for-profit organizations, extra superannuation contributions and novated car leases are most often used in salary packaging
- Employees should be advised to seek professional advice of their own if they're interested in salary packaging
- ASPIA, formed to develop a common approach to government and the Tax Office on salary packaging, can also put employers in touch with outsourcing firms who'll handle the arrangements

## **Track 9**

### **IMPROVING THE VALUE OF BUSINESS REPORTS** **John Cleary, Blue Chip Consulting Group**

- Frustration builds if people preparing reports think they're not being read, and those receiving them don't understand them
- Reports should concentrate on what's important, and be delivered to those to whom it's important
- Reports can be a catalyst for action by demonstrating that performance outcomes can and should be changed
- Managers are often promoted on their experience, not their financial knowledge. When they get reports they can't decipher, they'll either file them or bin them
- Even very small businesses need good reporting – relate it back to your strategic plan

- Review your reports periodically - make sure they're relevant and producing useful information
- Bring the report writers and recipients together to work out what's needed and in what form

## **Track 10**

### **SHAREMARKET UPDATE**

#### **Tim Lincoln, Lincoln Stock Doctor**

- The market's volatile again, but every correction brings opportunity
- The first wave of the reporting season has seen key companies recording some very strong results
- My top six stocks all have one thing in common – their senior executives all have long experience and “skin in the game”
- Navitas is providing a pathway to educational qualifications for overseas students; GUD Holdings distributes electrical and cleaning products; JB Hi-Fi produced excellent trading and profit results
- Resmed develops and markets sleep apnea products; Webjet produced excellent results in a difficult environment and Safe Roads Holdings has been a pioneer in developing road safety equipment

## **Track 11**

### **TAX UPDATE**

#### **Michael Jones, Cummings Flavel McCormack**

- It's worth checking your FBT status before the March 31 deadline – boosting your kilometres driven might reduce the tax payable
- Check that your super contributions are in line with the reduced levels now in force
- 62% of tax receipts come from small and medium business. That's an incentive for the Tax Office to boost the number of audits it carries out
- Tax arrangements for holiday homes and other facilities owned by companies and used by shareholders are likely to change – shareholders will be taxed if they don't pay full market value for their use
- The common thread: sort out your tax compliance issues before the end of the year, for greater peace of mind

## **Track 12**

### **IS YOUR HEALTH DAMAGING YOUR BUSINESS?**

#### **Dr John Lang, Good Health Solutions**

- You'll lose two and a half per cent of your productivity for every risk factor, like excess weight, high cholesterol or high blood pressure
- Neck and back pain are the most prevalent problems affecting workplace performance, with headaches and migraines close behind

- Allergies and hay-fever also have a substantial effect on productivity
- About 10% of Australian businesses have employee health programs, to monitor and deal with problems
- Federal and State Governments are now starting to spend money on employee health-check programs
- Obesity is the growing disaster – almost two-thirds of adult Australians are now overweight or obese
- That's having a direct bearing on increasing rates of diabetes and back pain
- Many people say they don't have time to exercise properly – it's more about time management
- They'll see time spent on exercise as a cost, when it's really an investment in the rest of their life