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NUMBER ONE IN NUMBERS

Chartered Accountants

Business **in focus**

Monthly audio program > presented by Michael Schildberger

August 06



The extras



Business Essentials
Media Production



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Welcome to this Extras booklet accompanying the August 2006 edition of Chartered Accountants Business in Focus. Yes, Business Essentials is back – with a new name for these programs, new packaging and this monthly booklet.

The CDs we're producing in conjunction with the Institute are a mix of professional information you need to know but also, and importantly, interviews with people who will help you in your own business as well as offering tips you can pass on to clients.

The Extras booklet each month summarises the major points presented in the interviews as an easy reference point.

In a recent survey conducted by the Institute you said you enjoyed what we provided over many years so the format remains similar. The content of course continues to change – just as doing business never remains static.

Flexibility in working hours is a classic example of change and Geoff Slade, with decades of HR experience, outlines some scenarios that may be of concern to you or your clients.

Compiling these audio programs for business people for the last 22 years, we have established clearly that our subscribers want success stories from which they can learn. On our cover this month is Rhona Walker who has achieved substantial success, despite a major disaster a few years ago. She has literally re-grown a business from nothing, a situation created by some fraudulent directors.

I feel confident you'll find plenty of value on the CD and in this Extras booklet and I look forward to making contact with you each month. I would like to thank you for re-joining us.

Michael Schildberger
Managing Director
Business Essentials

website
www.be.com.au
Chief Editor
John Hounslow
Production Manager
Heather Dawson
Studio Manager
Peter Letts
Advertising/Sponsorship
Nick Schildberger
nschildberger@be.com.au
Manager Editor
Michael Schildberger
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

This month's essentials

03

Track 1

Business Process Improvement

Dr Martin Fahy, CIMA

- > Increasingly the pressure to improve shareholder values and to drive efficiency has led organisations to look at processes which have been in place for 20-30 years
- > Unlike other vocations, finance professionals don't have a process-driven mentality
- > The key challenge is to execute and implement process changes
- > Finance professionals must realise that if they don't like change, they'll like irrelevance even less.

In the future, finance professionals will become much embedded in the business and business-partnering.

Track 2

The Economy 2006/07

Prof. Neville Norman, Melbourne University

Some cracks are appearing the economic edifice:

- > Housing activity is now clearly declining (7% off in 18 months)
- > Motor vehicle registrations are in decline
- > New South Wales is struggling to achieve any growth, with house prices clearly falling in Sydney.

Against this, the declines are from huge highs, Queensland and WA are booming and Perth house prices are more than 20% up on last year.

How, or how seriously, do you take economy readings in planning your business?

Beware some extremes :

- > Grab and study everything –unless you're a professional economist, is this a good use of your time/comparative advantage?
- > Doesn't matter, I'm too small or different.

It's worth checking a few things:

1. Is real activity growth in the tolerable range?
2. Is inflation in the tolerable range?
3. Do any other factors bear on interest rates?
4. Will anything in the political sphere change economic policy?
5. Any relevant developments beyond our shores?

Track 3

Hot Desks & Part-timers

Geoff Slade, Slade Group

- > More and more people are working when **they** want to work, not when you want them to work
- > Often both men and women want to work from home
- > An external workforce can create cultural problems within your organisation if you don't manage it properly
- > Employers will soon have no option but to allow people to work from home
- > Even senior executives working from home 2-3 days a week can be more productive than being in the office 5 days
- > Allocate a desk and computer in your office to home workers when they come in.

Track 4

Growth from Ashes

Rhona Walker, Solution RED

- > After a business disaster, the first step to recovery was to handpick a trusted team to start again
- > Securing finance came from a trusting business partner who'd been a previous employer
- > The business goal was to get through the first year, knowing that a first year profit could only grow
- > The big business hurdle was to combine two disparate teams into one unit
- > The team relationship leads to building partnerships with clients, even if it takes 10 years.

Track 5

New laws on Leave Entitlements

Brian Williamson, Workplace Law

- > New minimum standards now apply covering annual leave, personal leave, parental leave, maximum number of ordinary hours of work and wage rates
- > Parental leave is similar to the previous regime
- > Personal carers leave is 10 days per year, to care for child, spouse, parent or flat-mate
- > Compassionate leave is 2 days but reasons have extended
- > Maximum hours of work: 38 hours per week
- > Minimum hourly wage rate: \$12.75 but this may be varied by the Australian Fair Pay Commission shortly.

Track 6

Internal Audit: a Pragmatic and Value Adding Approach

Jay Chander, Capstone Business Improvement & Assurance

- > Understand the contemporary concept of Internal Audit as a crucial management tool instead of a traditional role as corporate 'policeman'
- > Appreciate the real reasons why we need an Internal Audit function
- > Understand how to set up and market a 'value-adding' and a 'partnership' Internal Audit function
- > Understand how to implement a workable Internal Audit model and ensure its suitability to the organisation's culture / environment
- > Implement a value-for-money performance measure and appreciate the concept of "after-sale service" to derive value.

Track 7

Succession Planning

Mandy Holloway, Holloway Consulting

- > Think about what you want personally and what you want for your business
- > Recognise the emotion of succession
- > Ask yourself about the values you want in your next phase
- > Ask "am I prepared to get out of my comfort zone?"
- > Identify all the options then define your proposal, the transfer and the transition.

Track 8

Sharemarket Update

Tim Lincoln, Lincoln Stock Doctor

- > The optimistic view: It's a "choppy" market but expect the All Ordinaries Index to break the 6000 barrier within 12 months
- > The conservative view: volatility will continue for up to six months but stick by the market
- > Remember that rocky times will provide opportunities
- > Always look at the financial health of any company in which you want to invest
- > Always look at the financial management of the company.

Track 9

Small Business CGT Concessions

Michael Jones, Cummings Flavel McCormack

- > Strict eligibility criteria – either you are in or out
- > Why the tax concessions are important:
 - Sale of business
 - Establishment of business
 - Restructure of business
- > Basic eligibility and the Budget announcements:
 - Net asset test
 - Active assets only
 - Treatment of shares and units
- > Critical timing issues:
 - Retirement age
 - 15 year exemption.

Track 10

Accidental Networking

Robyn Henderson, Networking To Win

- > Networking is a life skill
- > Say to yourself, every day I'm going to speak two strangers
- > Casual conversations will build connections
- > Consider the 'trilogy of trust' – open doors for others
- > If you're not networking, chances are your competitors will be
- > Do your homework before networking events – know what you want to achieve
- > Understand the law of recency – keep in regular touch with your contacts
- > Networking events are part of work – you're still working
- > Don't sell in a social environment.

For more information about the topics discussed on this August 2006 program, please contact the relevant organisation listed below.

Business Process Improvement

The Institute of Chartered Accountants in Australia
1300 137 322

The Economy 2006/07

Prof. Neville Norman
Melbourne University
Email: n.Norman@unimelb.edu.au

Hot Desks & Part-timers

Geoff Slade
Slade Group
The Slade Group has offices in Melbourne, Sydney and Brisbane.
www.sladegroup.com.au
Head office: 03 9235 5100

Growth from Ashes

Rhona Walker
Solution RED
Tel: 03 9326 9255.
Email: enquiries@solutionred.com.au
www.solutionred.com.au

New laws on Leave Entitlements

Brian Williamson
Workplace Law
Tel: 02 9256 7500
www.workplacelaw.com.au

Internal Audit: a Pragmatic and Value Adding Approach

The Institute of Chartered Accountants in Australia
1300 137 322

Succession Planning

The Institute of Chartered Accountants in Australia
1300 137 322

Sharemarket Update

Tim Lincoln
Lincoln Stock Doctor
www.stockdoctor.com.au
Please contact Lincoln direct for more details about its STOCKdoctor investment software or managed fund services on 1800 676 332 or 03 9855 1100

Small Business CGT Concessions

Michael Jones
Cummings Flavel McCormack
Tel: 03 9882 3268.
www.cfmc.com.au

Accidental Networking

Robyn Henderson
Networking to Win
Email: info@networkingtowin.com.au
www.networkingtowin.com.au

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