



In-House Training that really measures up

For tailored In-House Training that provides your business with a competitive edge – turn to the experts at the Institute of Chartered Accountants in Australia.

We now offer customised training in three main areas – technical, general business and people skills.

If you would like more details about this or other products and services provided by Training and Development please contact us directly at:

The Institute of Chartered Accountants
in Australia, 37 York Street,
Sydney NSW 2000

Ph: 1300 137 322

Email: support@icaa.org.au

charteredaccountants.com.au/training



Chartered Accountants

Business **in focus**

Monthly audio program > presented by Michael Schildberger

December 06

The extras



**Chartered
Accountants**

NUMBER ONE IN NUMBERS



Be sure your bus is carrying only the right people as you journey forward. It is with their help and support that your business will be successful - otherwise you will fail. That's one of the messages you'll hear from Jim Collins who has spent years researching why some businesses go from strength to strength and others don't make it.

Jim Collins is one of America's best known business authors and lecturers. His first book "Built to Last" was a runaway best seller and he has now followed up with "Good to Great" which reveals some fascinating truths. We hear from Jim Collins on this month's CD.

As Christmas approaches, we seek advice on whether a staff Christmas function should go on the FBT list or not. Michael Jones of Cummings Flavel McCormack reminds us of the options. And on the subject of FBT, he has figured out a new approach to salary packaging cars. Michael Jones tells us on the CD.

We hear so much about work/life balance these days, but it's a negative term according to Dr. Adam Fraser of Energy Factory. He explains why and what we need to do to integrate our working and living.

Relationship building is fundamental to the success of any business or any professional's career but so many people don't do it well. Chartered accountant, James Roger of Alinear, has several tips to help us improve our working relationships.

And there are better ways to calculate a client's worth than simply looking at how much they spend. Greg Smith of TPMG Direct takes us through his formula.

I hope you enjoy this month's CD.

A handwritten signature in black ink that reads "Michael". The signature is fluid and cursive, with a horizontal line underneath the name.

Michael Schildberger

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 Director
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

CLIENT VOLUME/VALUE

Greg Smith, TPMG Direct

- > Other than measuring clients on spend, you can use RFM (Recency Frequency and Monetary value)
- > It works by placing a score on each client according to how recently they have dealt with you, how often they deal and how much money they generate in fees (net)
- > You place a score against all your clients according to how recently, how often and how much they have generated. For example place a score of 5 for the most recent, most frequent and highest fee generating client. Then place a score 3 for a client who is not so recent, uses your services every now and again and generates an OK level of fees. Then give a score of 1 for those clients who have not dealt with you for a while, are infrequent and generally are very small billings
- > Using an excel spreadsheet you can create a model that scores all clients, then ranks them. In other words rank all your clients from 5 down to one. The client at the top of the 5 list is your best client and the one at the bottom is not so good
- > This form of segmentation removes the one dimensional view of total billings and enables a practice to adjust its marketing strategy.

Track 2

WORK/LIFE BALANCE

Dr. Adam Fraser, Energy Factory

- > The term "work/life balance" is negative as it implies that our work is separate from our life. What we really want is work life integration where the two work together
- > With so much emphasis on balance these days the term "balance" almost has a negative effect as we feel pressure to get balance and feel guilty when we don't achieve it.
- > Most people need to alter their idea of balance, because what they expect and what is achievable are two very different things
- > Balance varies each day and it is a constant battle. Many people put off their balance for a future day. They say I will have balance when "the kids leave home", or when "they employ someone else at work to reduce my work load". Balance does not suddenly arrive one day. We need to find balance at all times.

This month's **essentials**

Track 3

ECONOMIC UPDATE

Professor Neville Norman, Melbourne University

Why the current interest rate rises?

- > Activity growth measured by GDP is slower than expected
- > Cost/supply pressures, not demand, has pushed inflation over 3%
- > Budget restraint more directly cools the economy. But why cool?
- > New psychology – predict rate rises and make them a certainty by pressuring the RBA into a corner. This is dangerous!

Conclusion: 2006 will be recorded as another “good year”; but it ends with warning signs about economic management into election-year 2007.

- > Business message: increase risk protections.

Track 4

CONSIDERING PROFESSIONAL INDEMNITY

Alex Green, Vero Insurance Limited

- > Professional indemnity generally applies to services and advice
- > It's there to protect the business in the event of a claim
- > Negligence claims are a central feature of professional indemnity
- > There's a new generation of businesses now looking at professional indemnity cover
- > They need to – society is becoming increasingly litigious
- > A professional indemnity insurer can take the emotional stress out of a claim to find the best outcome for everyone
- > Customers need to balance the cost of professional indemnity cover against the risks in the business - there's a broad range of products available.

Track 5

THE Y-E=S FORMULA FOR PROPERTY INVESTORS

Steve McKnight, Author, “From 0 To 260+ Properties In 7 Years”

- > A lot of people focus on “real estate” but I focus on “investing”
- > It's all about money flow and money management – work on good habits!
- > The Y-E=S Formula means spending less than you earn
- > Debt is not the way to wealth creation
- > To get ahead, start repaying debt and then acquire income producing assets
- > Look at ways to add value to properties to create positive cash flow
- > Be prepared to sell real estate if your return can be maximized elsewhere.

Track 6

RELATIONSHIP BUILDING

James Roger CA, Alinear

- > The ability to initiate and develop strong business relationships is a defining factor in the success and enjoyment of a modern professional's career
- > Strong relationships will contribute to winning more revenue from clients, reducing the turnover of your team and improve your ability to influence a range of stakeholders
- > Developing a good understanding of how you and your stakeholders naturally behave in a business environment is one of the foundations of building relationships. For example, some people like structure in what they do whilst others prefer more fluidity
- > Being able to clearly identify the needs of those you are seeking to build relationships with is another core element of success.
- > Trust is another critical success factor: The amount someone trusts you will influence how much they share with you, when they ask for your help and how much they are willing to help you

Track 7

FBT UPDATE: CARS AND CHRISTMAS

Michael Jones, Cummings Flavel McCormack

- > Beware the impact of the new tax rates on your car package
- > Using employee contributions to make the package tax effective
- > Easy administration of employee contributions, saving payroll tax & workcover
- > How to have an FBT exempt Christmas party – some basic rules.

Track 8

SHAREMARKET UPDATE

Tim Lincoln, Lincoln Stockdoctor

- > The myth that October is a bad month for investors has been dispelled
- > Beware being lured into high risk investment products
 - > Understand how the sharemarket works
 - > Understand the products available
 - > Understand the risks associated with those products
 - > Understand what is right for you
- > Follow the 9 Golden Rules: Financial health, strong management, the value of the underlying share price, liquidity, share price trend, business size, understanding what it does, and positive news. And all of the above.
- > Strong performance in Lincoln's Star Stocks – 30% pa for 5 years; and Lincoln Australian Share Fund – 31.4% for the 12 months to June 30, 2006
- > Stock highlights: BHP, Cabcharge, Iress, Campbell Brothers, Rio, St George

This month's **essentials**

Track 9

GOOD TO GREAT

Jim Collins

- > A principle reason for not reaching greatness is lack of discipline and chronic inconsistency
- > Mediocre companies are willing to change – but in the wrong ways
- > Embrace the 'hedgehog' concept: total passion; a focus solely on what you're the best in the world at doing; understanding what drives your economic engine
- > Separate your core values from your strategies; values are fixed, strategies change
- > Great leaders don't begin with vision and direction, but with the people who will help drive the business forward. Only then work out where you want to go
- > Over 90% of the great CEOs come from within the business, not 'charismatic saviours' from outside
- > The great CEOs have these defining characteristics: discipline, humility and the courage to make very difficult decisions.

Track 10

WHY INTUITION COUNTS IN BUSINESS

Jane Mara, Intuitive Thinking

- > Intuition is becoming accepted by executives as we learn more about how the brain works
- > It allows faster, more effective decision-making, more creative ideas, improved communication skills, less stress and more productivity
- > Don't through out the research and analysis – use it in combination with intuition
- > If something doesn't feel right, investigate further before making a decision
- > Some business decisions are more suited to intuitive thinking
- > If you're highly stressed it's harder to access your intuition
- > Listen to your intuition and observe what happens when you take note of it.

Information

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

CLIENT VOLUME/VALUE

The Institute of Chartered Accountants in Australia
1300 137 322
www.charteredaccountants.com.au/training

WORK/LIFE BALANCE

The Institute of Chartered Accountants in Australia
1300 137 322
www.charteredaccountants.com.au/training

ECONOMIC UPDATE

Professor Neville Norman.
Email: n.norman@unimelb.edu.au

CONSIDERING PROFESSIONAL INDEMNITY COVER

Alex Green, Vero Insurance Limited.
Tel: 131813
Email: veroinformation@vero.com.au
Website: www.vero.com.au

THE "Y-E=S" FORMULA FOR PROPERTY INVESTORS

Steve McKnight.
Website: www.PropertyInvesting.com/Essentials

RELATIONSHIP BUILDING

The Institute of Chartered Accountants in Australia
1300 137 322
www.charteredaccountants.com.au/training

FBT UPDATE: CARS AND CHRISTMAS

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

SHAREMARKET UPDATE

Tim Lincoln, Lincoln Stock Doctor.
Website: 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

WHY INTUITION COUNTS IN BUSINESS

Jana Mara, Intuitive Thinking. Jane's new book "Intuition on Demand" is published by Intuitive Thinking Pty Ltd.
Website: www.intuitivethinking.com.au

Subscription Form

I would like to subscribe to Chartered Accountants Business in Focus and/or Tax in Focus:

Family name: _____ First Name: _____

Company: _____

Address: _____

City: _____ Country: _____ Postcode: _____

Telephone: _____ Fax: _____

Email: _____ Member No: _____

Age Group (*please tick one*): 18-25 26-35 36-45 46-55 56-65 >65

Type of Business: _____ Number of Employees: _____

Subscription Pricing (GST Inclusive)

Product	Australian Rates		Overseas Rates	
	Members	Standard	Members	Standard
<input type="checkbox"/> Business In Focus – CD	\$385	\$485	\$385	\$485
<input type="checkbox"/> Tax In Focus – CD	\$385	\$485	\$385	\$485
<input type="checkbox"/> Combined (Business in Focus + Tax in Focus) – CD	\$695	\$875	\$695	\$875
<input type="checkbox"/> Business in Focus - Online	\$250	\$300	\$230	\$280
<input type="checkbox"/> Tax in Focus – Online	\$250	\$300	\$230	\$280
<input type="checkbox"/> Combined (Business in Focus + Tax in Focus) – Online	\$450	\$540	\$420	\$500

Payment Options

Please find enclosed cheque made payable to Business Essentials Pty Ltd for \$ _____

OR debit my: Amex Mastercard Visa Diners Club Bankcard
Cardholder's name _____

Card number _____ Expiry date _____

Signature _____

Please send your order details to:

Free Fax: **1800 656 351**

Free Call: **1800 039 098**

Free Post: *send this form, (accompanied by a cheque to)*

Business Essentials Pty Ltd,
Reply Paid 579, Hawthorn East,
VIC 3123, Australia
Tel: +61 3 9882 8333
Fax: +61 3 9882 8017

Please Note: Upon payment this notice becomes a **TAX INVOICE**. Please retain a copy for your records.

Business Essentials Pty Ltd ABN 98 006 144 449
405 Riversdale Rd Hawthorn East Vic 3123 Australia

Privacy Notification - The Institute of Chartered Accountants in Australia respects the privacy of individuals and acknowledges that the information you provide on this form is protected by the Privacy Amendment (Private Sector Act) 2000. The information collected by the Institute is used for the purpose of processing your registration and providing you information (via email and/or mail) on upcoming events, specific products and services provided by or associated with the Institute. To access a full copy of our policy visit charteredaccountants.com.au/privacypolicy



Training and Development – at your fingertips

Keep abreast of the latest development in business and tax in your car, at your desk, or even on the bus!

Your annual subscription will consist of monthly audio updates either on hot topics in business or the latest tax news.

You can choose to have your subscription delivered each month on CD or online. The online version has an optional MP3 download capability enabling you to keep up-to-date via your iPod®, compatible mobile phone, PDA or any other MP3 device.



Who can you trust during good times and bad?

"It has been my family's vision for the past 20 years to provide sharemarket investors with the means to invest successfully in the Sharemarket with increased confidence and peace of mind. Through Dr Merv Lincoln's PHD research, our vision is now a reality.

Q: In these uncertain times how can we turn short term volatility into long term opportunity?

A: By selecting quality companies, basing our decisions on a sound framework, and having access to the right tools to allow us to make fully informed and rewarding decisions.

You too can access our family's work and use it to empower yourself to take control of your share investing future. All you have to do is choose what's right for you..."



EITHER do it yourself with Stock Doctor

- Australia's premier sharemarket investment tool
- Trusted by thousands of investors
- Essential foundation for all Sharemarket investment decisions
- Complete investors tool kit including industry renowned training and support


**Stock
Doctor**

OR Let us do it all for you

- Invest directly in the Lincoln Australian Share Fund
- Benefit from our proven investment approach
- Utilises Stock Doctor Methodology
- Ideal for the time poor investor
- Regular and detailed performance reports


**Managed
Investments**

Call us now about our special offer on 1300 676 332

www.lincolnindicators.com.au


Intelligent sharemarket solutions

Lincoln Australian Share Fund (Fund) - Investment Manager: Lincoln Indicators Pty Ltd ACN 006 715 573 AFSL 237740. Responsible Entity/ Issuer: Equity Trustees Limited ABN 46 004 031 298, AFSL 240975. This communication may contain general financial product advice. The advice has been prepared without taking account of your personal circumstances. You should therefore consider its appropriateness, in light of your objectives, financial situation and needs, before acting on it. Where we refer to the Fund, information provided should be read in conjunction with the Product Disclosure Statement of the Fund, which can be obtained by contacting us, or via our website. You should read and consider this document before making any investment decision about whether to acquire or continue to hold the product. Investments can go up and down. Past performance is not a reliable indicator of future performance. Neither Lincoln Indicators Pty Ltd, Equity Trustees Ltd, or their directors, employees or agents guarantees the performance of, or the repayment of capital or income invested in the Fund.

Suit your self! Workout anytime, anywhere with Donna Aston and get in shape for summer.

NEW!

**COMPLETE
10-WEEK
PROGRAM**

**PLAY IT AT
HOME ON YOUR
DVD PLAYER
OR DOWNLOAD
THE FILES
TO YOUR MP3
PLAYER**

**\$250.00
VALUE
NOW ONLY
\$39.95**

AS SEEN ON



This is your opportunity to follow the same program that Donna Aston has designed for the Channel Nine participants of The Great Weight Debate. This time-efficient program means you can now workout anywhere, anytime, with your own celebrity trainer! To help you put it all together, this **three disc set**, complete with calendar, provides you with a unique step-by-step approach to establish a healthy new lifestyle and create a stronger, leaner, healthier body for life.

**GET YOUR COPY TODAY AT
WWW.FITNESSTOGO.COM**



FITNESS TO GO.com
CELEBRITY WORKOUTS FOR 'EVERY BODY'