

Chartered Accountants

Business **in focus**

Monthly audio program > presented by Michael Schildberger

October 07



Chartered
Accountants

NUMBER ONE IN NUMBERS

The extras



Legal disputes cause major problems for many businesses, often leading to the collapse of the business. Solicitor Paul Brennan, a regular contributor to our programs, has assisted many businesses which have encountered difficulties - so many indeed he figured it was time to take an extra step. Together with Business Essentials he has now compiled a CD and an eBook titled "The 10 Greatest Legal Mistakes in Business - and how to avoid them". The launch around Australia will be during this month. For Business in Focus subscribers there's a special pre-launch price, a reduction of \$5 to \$19.95. You'll find details on page 11 of this Extras booklet.

On this month's CD Tony Gattari of Achievers Group, who had huge success at Harvey Norman, reveals his biggest marketing mistake.

You'll find the usual mix of valuable information on this month's CD. For example, Colin James gives us some important pointers on the need for good communication, a subject I believe too many business people overlook. With my media background I am obviously quite passionate about it and often wonder why so many don't appreciate the power of good communication. Colin James conducts workshops on the subject.

Chartered accountant Andrew Robertson of AAA Business Specialists explains Value Pricing compared with charging by the hour.

Dealing with analysts is a speciality of chartered accountant, Ronn Bechler, who explains the basics.

And Deloitte has just completed its latest survey on Wine Industry Benchmarking. Partner, Stephen Harvey, leads us through the findings.

Once again, I hope you enjoy and gain valuable information from this month's CD and this Extras booklet.

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Track 1

VALUE PRICING

Andrew Robertson CA, AAA Business Specialists

- > Value Pricing is based on value delivered, with outcomes & price disclosed up front
- > Value Pricing will revolutionise the way you practice and interact with clients & staff
- > Treat staff like knowledge workers and not processors and they will react well to Value Pricing
- > Clients receive deeper relationships as a direct result of service delivery outcomes they set
- > Clients love the approach and they value what you do

Track 2

DEALING WITH ANALYSTS

Ronn Bechler CA

- > There are two main types of analysts listed companies need to deal with - buy side analysts and sell side analysts (broker analysts)
- > Broker analysts tend to use a "sum of the parts" discounted cash flow valuation to determine their view of the fundamental value of a listed company
- > Buy side analysts use a combination of in-house research and analysis, combined with an understanding of the sell side, broker analysts, views and recommendations
- > Like all things in business, the key is in building strong relationships with both buy side and sell side analysts. They are the market makers and they need to have trust in you, as a CEO, CFO or Investor Relations Manager
- > You need to treat all analysts equally to build trust and credibility in the market.

This month's **essentials**

Track 3

ECONOMIC UPDATE

Professor Neville Norman, Melbourne University

Count and review your products

- > Every product has a price, quantity and quality
- > Consider, review and change them when necessary
- > Labour is similar: price (wage), quantity (employment) and quality (skills, productivity)
- > Potential to drag inflation out of its comfort zone.
- > Prospects for 2007/8+: wages growth to remain contained
- > If right - interest rates contained; if wrong - watch out
- > Election update: IR/wages issues the largest strategic election risk for business

Track 4

AVOIDING MARKETING MISTAKES

Tony Gattari, Achievers Group

- > My biggest mistake was assuming that sales and marketing would save any business
- > Before introducing sales and marketing strategies, you must assess the cash flow of the business
- > When you've stopped the cash "leaks" you must upgrade the business' engine
- > You must understand who your "A class" customer is
- > Have a go. The enemy is procrastination
- > When you introduce a strategy you must know what you want to achieve
- > Use low cost strategies first

Track 5

THE POWER OF GOOD COMMUNICATION

Colin James

- > Highly competent people sometimes are flawed in their communication skills
- > Ineffective meetings often are full of plausible "corporate" language but in reality they're very shallow
- > This results in waste of time, resources and productivity
- > People are exposed to information but they don't always get it because of bad presentation
- > You need the courage to acknowledge that communication standards are low and be willing to explore ways to improve
- > The meaning of communication is the response you get.

Track 6

WINE INDUSTRY BENCHMARKING

Stephen Harvey FCA, Deloitte

- > The Wine Industry Benchmarking survey shows that the oversupply conditions in 2006 were having a continued impact on the smaller wineries, but some of the larger wineries managed
- > The results of the survey indicated far greater volatility in performance, particularly in the small wine segment
- > The export market was growing in volume but prices and margin were still under pressure due to global oversupply and very strong \$AU
- > The survey results confirmed the Industry 2025 Directions strategy that Australian Wine Businesses needed to focus their attention on the quality segment of the domestic and export businesses
- > The poor 2007 vintage and the risk of drought negatively affecting the 2008 vintage are posing a serious threat to the Australian Industry on both domestic and export markets
- > The drought will cause many wine companies to refocus their strategic direction over the next 5 years.

Track 7

USING MEDIATION TO SETTLE DISPUTES

Paul Brennan, Brennans Solicitors

- > Mediation can be a cheaper and more sensible option than court
- > The process can take a day, maybe less
- > There may be a number of people involved - the warring factions plus lawyers, advisers, even accountants
- > The parties discuss together, then split into different rooms to discuss separately with the mediator
- > No admissions made in mediation can be subsequently used in court
- > Often the differences become so minor that the parties see the sense in settling
- > Lawyers draw up the settlement in writing there and then.

This month's **essentials**

Track 8

TAX CONCESSIONS FOR STAFF PERKS

Michael Jones, Cummings Flavel McCormack

- > The minor benefits maximum value has increased to \$300
- > There is a new and helpful ATO draft ruling on minor benefits
- > The ruling discusses the meaning of infrequent and irregular
- > Don't forget the standard home/work taxi travel exemption
- > Consider offering in-house discounts to keep staff happy - retailers and wholesalers can provide their products and services to staff at cost free of FBT
- > You can still provide goods below cost free of FBT up to \$1,000 per employee
- > For producers and manufacturers, the FBT threshold for in-house benefits is 75% of the lowest retail value rather than cost.

Track 9

SHAREMARKET UPDATE

Tim Lincoln, Lincoln Stock Doctor

- > The market has been gyrating wildly but this presents great opportunities
- > We've reached the end of a very positive reporting season
- > Outstanding results: BHP, CSL, Monadelphous, Bradken, QBE
- > New star stocks: Melbourne IT, Pipe Networks, AXA, Structural Systems, The Reject Shop
- > No longer star stocks: Babcock & Brown, Woodside Petroleum, 7 Network, Technology One, Oxiana

Track 10

ARE YOU CAUGHT IN THE HAPPINESS TRAP?

Dr Russ Harris, author, "The Happiness Trap"

- > Popular ideas about what makes us happy are misleading and inaccurate
- > We need to learn to manage the full range of emotions
- > The "mindfulness" approach helps us to do this
- > It can now be achieved in minutes due to changes in western psychology
- > It shows us how to step back from negative thoughts
- > It's based firmly on scientific research
- > It can help with work stress and quitting smoking to depression, anxiety, even severe mental illnesses such as schizophrenia

For more information about the topics discussed on this October 2007 program, please contact the relevant organisations listed below.

VALUE PRICING

The Institute of Chartered Accountants in Australia

1300 137 322

www.charteredaccountants.com.au/training

DEALING WITH ANALYSTS

The Institute of Chartered Accountants in Australia

1300 137 322

www.charteredaccountants.com.au/training

ECONOMIC UPDATE

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AVOIDING MARKETING MISTAKES

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THE POWER OF GOOD COMMUNICATION

Colin James

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WINE INDUSTRY BENCHMARKING

The Institute of Chartered Accountants in Australia

1300 137 322

www.charteredaccountants.com.au/training

USING MEDIATION TO SETTLE DISPUTES

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TAX CONCESSIONS FOR STAFF PERKS

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SHAREMARKET UPDATE

Tim Lincoln, Lincoln Stock Doctor

Tel: 1300 676 332 or 03 9854 9444.

ARE YOU CAUGHT IN THE HAPPINESS TRAP?

Dr Russ Harris

Tel: 0425 782 055

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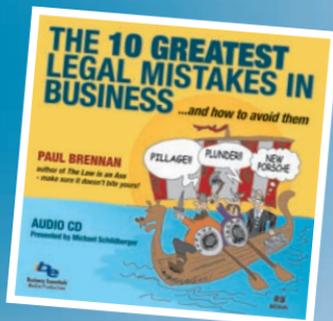
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“fantastic value, fun, great listening”

THE 10 GREATEST LEGAL MISTAKES IN BUSINESS *...and how to avoid them*

AUDIO CD PLUS EBOOK



It is difficult for even the most creative business person to commit entirely new legal mistakes. They've all been done before - many, many times. Often people wait until they are desperate before they see a lawyer about a legal problem - this just seems to be human nature. But you don't need to learn the hard way.

You can avoid legal mistakes if you know what is coming.

Paul Brennan, author of *The Law is an Ass - make sure it doesn't bite yours!* lists the top 10 legal mistakes in business - plus other legal minefields. And it couldn't be easier. You can listen to the CD and then reinforce the key messages by reading the eBook.

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- Take the pain out of partnership disputes
- Avoid disaster when buying a business
- Benefit from “restraint of trade” clauses
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- Use trade marks to protect your business name
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