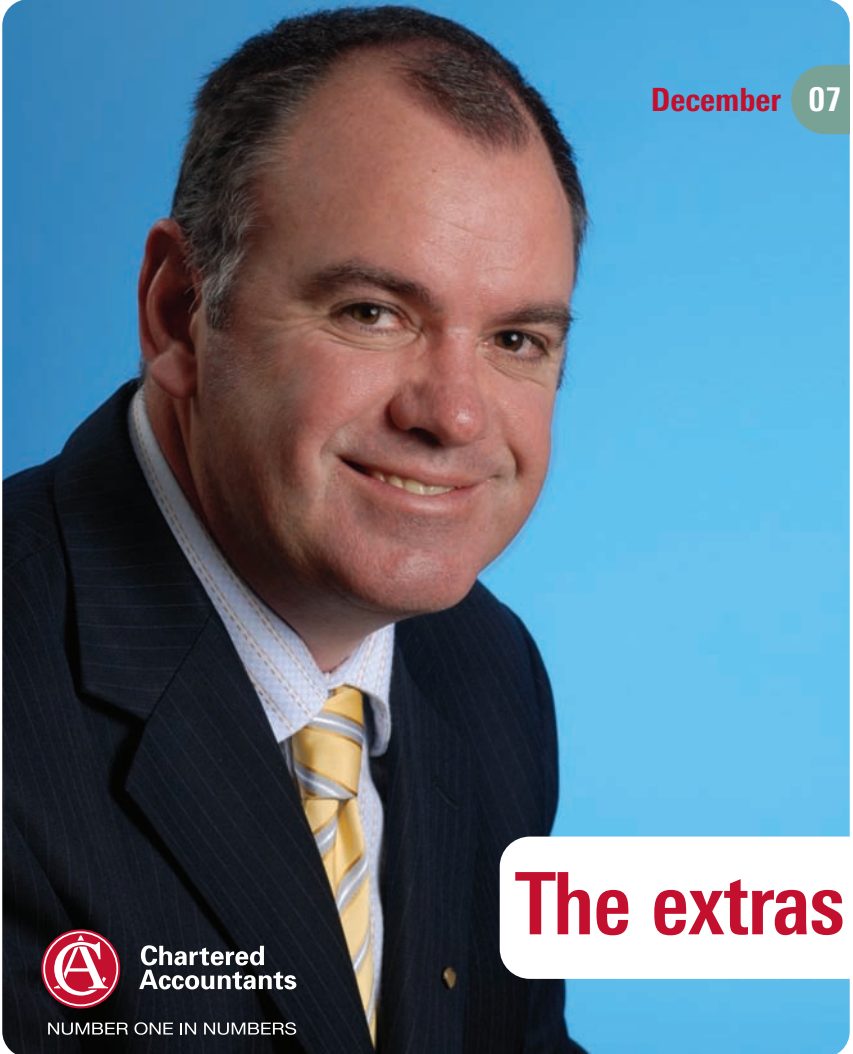


Chartered Accountants

Business **in focus**

Monthly audio program > presented by Michael Schildberger

December 07



The extras



Chartered
Accountants

NUMBER ONE IN NUMBERS



As you start looking ahead to next year and you're planning how to grow your business you'll find valuable tips from several of the interviews on this month's CD.

One word stands out - attitude, a vital ingredient in any success formula. Not only do we all need the right attitude to face the challenges of running a good business, we need to be able to engender that attitude among the people with whom we work and our clients. And, as Gloria Jean's Coffees co-founder Peter Irvine says on the CD, we must be wary that negative attitudes by some don't stand in our way.

Michael Carter of businessfitness™ has earmarked challenges facing chartered accountants after completing his latest survey of the accounting profession and I'm sure you'll find the results enlightening.

If you haven't thought about outsourcing yet, chartered accountant Bruce Coombes of MYOB Accountants Resourcing has some good reasons why you should consider it in 2008.

And practice management technology should be high on the list for chartered accountants in the coming year, according to David Smith FCA, of FMRC Smithink. He has many practical suggestions.

Enjoy the coming holiday break and use the time wisely. Don't spoil your time of relaxation, but by all means start thinking about how you can improve your business and your life in the year ahead.

Until next year.

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Track 1

BENCHMARKING

Michael Carter, businessfitness™

- > The accounting industry benchmarking survey and study called *The Good, the Bad & the Ugly® of the Accounting Profession* is Australia's largest and longest running survey of the accounting industry (public practice accounting firms)
- > Findings from this year's survey include:
 - > Revenue per partner is up on last year, but revenue per staff member has stayed the same
 - > Profitability is up across the board
 - > There is a slightly higher ratio of staff to partners
 - > Total salaries as a percentage of revenue have slightly fallen
 - > Productivity levels for staff are slightly lower than last year
- > The main challenges facing firms are profitability, staff recruitment, growth, efficiency of processes, productivity, workflow management, write offs, cash flow, getting new clients, debtor management and client fee resistance

Track 2

OUTSOURCING

Bruce Coombes CA, MYOB Accountants Resourcing

- > Outsourcing enables a practice to delegate work that it cannot or does not want to do
- > Businesses choose outsourcing as it provides access to a pool of talent sourced outside their own company, state or even country
- > Businesses and accounting practices that outsource do not need to address the HR issues associated with staff such as sick leave, maternity or paternity leave, training, etc
- > Many accounting practices that outsource have been able to expand their service range and forge closer relationships with their clients
- > Issues like the size of the business providing the service, whether they are a national or international company, employment of properly qualified staff and the level of training are relevant. For example are chartered accountants employed in providing accounting services?

This month's **essentials**

Track 3

ECONOMIC UPDATE

Professor Neville Norman, Melbourne University

Businesses and economy watchers need to look ahead - please do it!

Step one: Look backwards! Learn from where we have emerged

- > In 2007 almost everything rose, even the growth rates
- > Economic growth from just over 2% to just over 4.0%
- > Inside this, housing approvals from a slight slump resumed growth
- > Even Sydney house prices that slumped in 2006 came back in 2007
- > Underlying (CPI) inflation moved up from just over 2% to around 3%
- > Interest rates up from RBA rates 6.0% to 6.5% - bank rates more
- > Linked to this, the \$A testing parity with the US - from 79c a year ago
- > Oil prices testing \$US100 a barrel from prices as low as \$US60 earlier in the year

Track 4

THE NEED TO UP-SELL & CROSS-SELL

Tony Gattari, Achievers Group

- > Up-selling is the ability to position a better product at a better price instead of selling the cheapest product with the lowest margin
- > Always start with the best product. You're telling the customer they deserve the best
- > Up-selling is in the mind of the salesperson. Customers will buy a more expensive product if you believe it's right for their needs
- > Cross-selling is filling your sales docket with supplementary items. If you sell a computer, the customer will need paper, printer, mouse, etc
- > If you don't ask, you don't get
- > Salespeople uncomfortable with cross-selling usually have a fear of failure or rejection

Track 5

FUNDAMENTALS ON WINNING IN BUSINESS

Peter Irvine, co-founder, Gloria Jean's Coffees

- > Don't live in others' mindsets
- > Set the vision - and then be prepared to stretch it
- > Understand the importance of a "Can Do" attitude
- > Keep reviewing the structure of your business as you grow
- > Make changes if you need to: "If the horse is dead, dismount"
- > Be consistent in your behaviour to others
- > Leave your work at work!

Track 6

PRACTICE MANAGEMENT TECHNOLOGY

David Smith FCA, FMRC Smithink Pty Ltd

- > Dual screens enable a substantial lift in personal productivity
- > Regular, ongoing training is critical to ensure that maximum advantage is gained from IT applications
- > Keeping the inbox clear is key to manage email overload
- > Moving processes from paper and post (19th century technologies) to electronic (21st century technologies) needs to be considered by every firm
- > Rethinking processes to gain maximum advantage from new technologies can improve efficiency and client service
- > The website can be a recruit weapon by outlining why people will want to work for the firm. Using YouTube, FaceBook and other contemporary concepts will position the firm differently
- > Web based accounting applications will enable accountants and clients to share data. Accountants will be able to provide proactive advice on up to date real-time information

Track 7

THE 10 COSTLIEST LEGAL MISTAKES IN BUSINESS

Paul Brennan, Brennans Solicitors

- > You unexpectedly die - and your business dies too
- > Your business is sued and you lose your home
- > You take court action against your lawyer's advice
- > You don't have a shareholder or partnership agreement
- > You don't have terms and conditions
- > You keep changing lawyers
- > You fail to identify and protect your intellectual property
- > You don't have written contracts with your employees
- > You don't read the small print in important documents
- > You don't protect your business or product names

Track 8

OFFERING EQUITY TO EMPLOYEES: PART 2

Michael Jones, Cummings Flavel McCormack

- > There are a range of equity participation arrangements:
- > Employee Benefit Trusts. Watch out - the ATO has a history of litigating against these schemes
- > Phantom Share Schemes. Linked to profits and growth, these are remuneration style arrangements
- > Share Appreciation Rights. Beware how these remuneration style arrangements are taxed - similar to salary
- > Employer Loan Arrangements. The employer makes a loan to the employee to buy into the business. Sometimes appropriate
- > Share Option Plans. If properly arranged to be progressively exercised and linked to business growth then both parties can clearly benefit

Track 9

SHAREMARKET UPDATE

Tim Lincoln, Lincoln Stock Doctor

- > It doesn't matter how great the company is, there still needs to be fair value in the price
- > With the current market performing so well, it's hard to find undervalued stocks
- > Tim Lincoln's Golden Rule No. 3 helps us identify over and under-valued stocks
- > Traditional PE (Price: Earnings) measurements aren't enough
- > If the PE suggests a company is fully priced, the PEG can identify hidden opportunities
- > Star Stocks: (all undervalued!) BHP, Bradken, CSL, JB Hi-Fi, Monadelphous, QBE, Seek. But out of Star Stocks: Westpac and St George.

Track 10

ATTITUDE, DISCIPLINE AND CELEBRATION

Kirsty Dunphey

- > Everything is negotiation. Many people are uncomfortable with it at first, but it's a required skill
- > Don't forget to celebrate success
- > We should think of ourselves as balloons. High achievers inflate more than average people
- > Demand excellence of yourself - even if no one's watching
- > Don't lie to yourself. "I don't have time" usually means you don't want to make time
- > Force yourself to be disciplined, even if it doesn't come naturally

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

BENCHMARKING

The Institute of Chartered Accountants in Australia

1300 137 322

www.charteredaccountants.com.au/training

OUTSOURCING

The Institute of Chartered Accountants in Australia

1300 137 322

www.charteredaccountants.com.au/training

ECONOMIC UPDATE

Prof Neville Norman,
Melbourne University

Email: n.norman@unimelb.edu.au

THE NEED TO UP-SELL AND CROSS-SELL

Tony Gattari, Achievers Group

Tel: 02 9440 7373

Website: www.achieversgroup.com.au

FUNDAMENTALS ON WINNING IN BUSINESS

Peter Irvine, author, "Win in Business. 20 keys to catapult you towards your vision". Published by Ark House Press.

Email: peter@privine.com.au

Tel: 0419 236 854

PRACTICE MANAGEMENT TECHNOLOGY

The Institute of Chartered Accountants in Australia

1300 137 322

www.charteredaccountants.com.au/training

THE COSTLIEST LEGAL MISTAKES IN BUSINESS

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OFFERING EQUITY TO KEY EMPLOYEES: PART 2

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www.cfmc.com.au

SHAREMARKET UPDATE

Tim Lincoln, Lincoln Stock Doctor
Lincoln is offering Business in focus subscribers a \$200 discount on Stock Doctor subscriptions purchased prior to Christmas. Phone 1300 676 332 or visit www.lincolnindicators.com.au for details or to purchase.

ATTITUDE, DISCIPLINE AND CELEBRATION

Kirsty Dunphey, author, "Retired at 27. If I can do it anyone can"

Email: kirsty@kirstydunphey.com

Website: www.kirstydunphey.com

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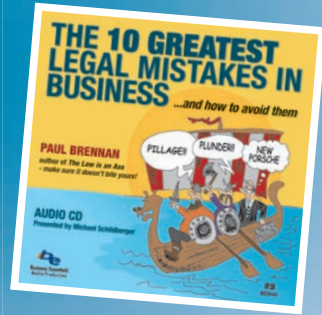
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THE 10 GREATEST LEGAL MISTAKES IN BUSINESS *...and how to avoid them*

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.

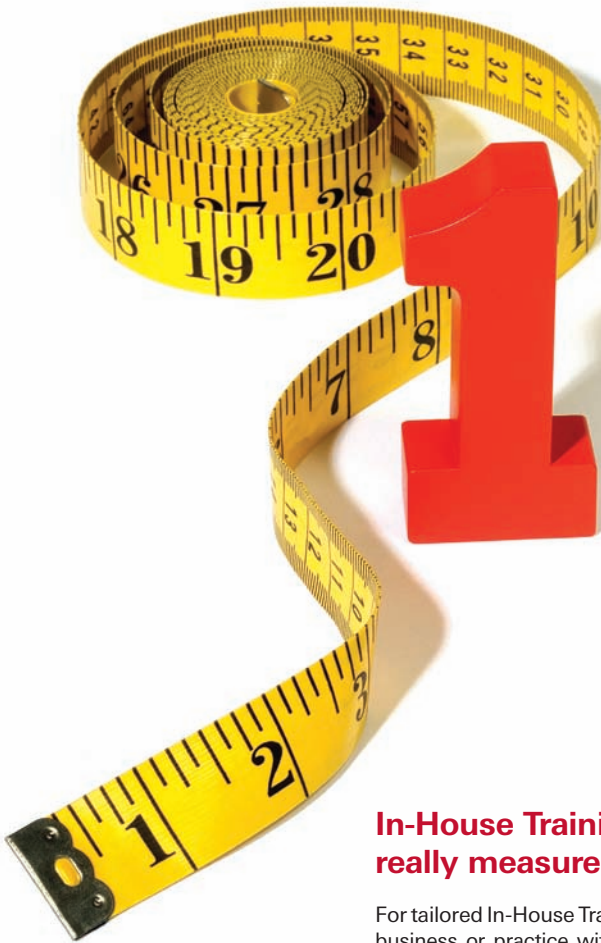
Paul Brennan, author of *The Law is an Ass - make sure it doesn't bite yours!* lists the top 10 legal mistakes in business - plus other legal minefields. And it couldn't be easier. You can listen to the CD and then reinforce the key messages by reading the eBook.

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