

Chartered Accountants

Business **in focus**

Monthly audio program > presented by Michael Schildberger

February 08

The extras



Chartered
Accountants

NUMBER ONE IN NUMBERS



As we all, refreshed from an end of year break, look ahead to 2008 we must consider various options about where our businesses should be heading. We know we can't stand still but we need to determine which way forward. Business advisory firm, DC Strategy, has helped many companies reach substantial success, both here and overseas. DC Strategy's Managing Director Adrian McFedries gives us some valuable thought-starters this month with many tips - and warnings. Growth, he says, has many benefits but not handled correctly can lead to disaster.

And, one of the fundamentals of growth and success is of course successful selling. It's a topic that so many in business choose to shy away from, almost with a certain amount of embarrassment. Tony Gattari of Achievers Group has done it well over the years and is proud to discuss it. This month, how to close the sale.

Profitability, of course, is fundamental to growth and professional service advisor Keith Matson tells us that a survey of accounting practices has uncovered a disparity of almost 700% in revenue per partner. He gives us tips on "dancing with the golden goose".

Gavin Ryan of Solutions For Success outlines how accountants can create practices that thrive, not just survive, by bridging the service gap.

And how often do you send and receive emails? Email Management Solutions' Sharon MacNevin has hints on how to stop the email overload and increase productivity.

Once again I hope you'll find plenty of value in this month's program and in this Extras booklet. And I wish you a successful 2008.

Michael Schildberger
Managing Director

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
Managing 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

Track 1

EMAIL: BREAK THOSE BAD HABITS

Sharon MacNevin, Email Management Solutions

- > Email now negates the time management skills developed in the '90s. It's not a substitute for face-to-face communication
- > Resist the urge to check your inbox constantly. Set aside three to four times per day to send and receive email
- > Effective email communication requires aligning values and protocols to increase productivity
- > Think critically about who you send email to, and why. Avoid CCs to everyone just to cover yourself.
- > Be clear and concise. Construct email messages so that they are only as long as they need to be

Track 2

BRIDGING THE SERVICE GAP

Gavin Ryan, Solutions For Success

- > This gap is the difference between the services an accounting practice actually provides to business clients and what business owners want
- > Most professional staff in accounting practices are being bogged down with compliance work
- > If accountants are to remain "trusted" business advisors they must create "spare capacity" by only working with clients who are suited to their practice and ensuring the right staff are doing the right work
- > An effective Referral Network allows an accounting practice to add value to its services, build a stronger relationship with clients and increase revenue

This month's **essentials**

Track 3

ECONOMIC UPDATE

Professor Neville Norman, Melbourne University

- > No business can avoid looking ahead
 - > Look backwards - learn from history, then extrapolate
 - > Learn from others - e.g. Fellow forecasters (The Age Team 5.1.08)
 - > Do multiple scenarios
 - > Focus on relevant risks that might matter

Applications to early 2008:

- A. Subprime crisis/housing slump - hits US/finance scene but not necessarily to cause US recession or damage real activity in Australia.
- B. Forecaster variance: Only 1 out of 28 of the Melbourne Age Forecasting Team expects a US recession in 2008/9.

The team is close on growth predictions for Australia in 2008/9 at 3%-3.5%. Inflation: all close to 3%. More varied on wage growth: 3.8% - 5.5% (I'm near the top, as already warned in my BE January forecasts). Wildly varied on Budget Surplus. Only 3 of us expect interest rates to fall in 2008 but all rate forecasts are close with no huge hikes expected. \$A forecasts range from 78c - 95c (mine is 83c., a little lower than the average).

Track 4

YOUR EXPANSION IN 2008

Adrian McFedries, DC Strategy

- > People spend less than 2% of their time working on the business
- > Working on the business means a change of mindset
- > Every business comes back to three simple principles: A clearly defined value, a clear target market and a sustainable & profitable business model
- > It's one thing to be a market leader, another thing to be profitable
- > Some very successful small businesses become ordinary medium businesses because they got their structure and their scaling wrong

Track 5

CLOSING THE SALE

Tony Gattari, Achievers Group

- > Closing the sale is opening an opportunity
- > 50% of sales people don't close once. 80% of "closes" come after the fifth attempt
- > Look for buying signals from the prospect such as "how much is it?"
- > Find the line between confidence and arrogance
- > Fear of rejection haunts some sales people who take it personally

TRACK 6

PRACTICE PROFITABILITY: DANCING WITH THE GOLDEN GOOSE

Keith Matson, Alito Business Ignition

- > A recent survey of 350 practices Australia wide reported revenue per partner ranging from \$341,000 to \$2.7 million - almost a 700% difference
- > Profitability per partner ranged from a loss of \$29,000 to a profit of \$1.1 million.
- > Profitability is a direct function of productivity and is better understood by some than others
- > If we can't get it right for ourselves, how can we be a source of business building advice for our clients?
- > Dancing with the golden goose hinges around the 80/20 proposition which is confronting for some

Track 7

KNOW YOUR ENEMIES

Graham Haines, bpi consultants

- > You need in-depth knowledge about your competitors to gain an advantage
- > Even small tidbits of information help fill in the jigsaw picture
- > The more information gatherers you have, the better
- > Follow the 6-point plan. Have lots of collectors but only one analyser
- > Encourage and reward your gatherers
- > A market intelligence system will help align your company

Track 8

SMALL BUSINESS CGT: KNOW WHERE CLIENTS STAND

Michael Jones, Cummings Flavel McCormack

Small Business CGT concessions provide tax relief on business asset sales, help restructure ownership and can enable extra super contributions.

- > The 15 year concession: If you've held an active business asset for 15 years or more you can ignore tax on the sale of that asset
- > 50% reduction: you can reduce the gain on the sale of an active business asset by 50% and use that concession in tandem with other concessions
- > There are significant retirement exemptions
- > Asset rollover concession: allows you to defer the capital gain by investing in the next business.

This month's **essentials**

Basic conditions:

- > The transaction must be subject to CGT
- > Property developers won't be taxed under the CGT rules
- > The taxpayer must be either a small business entity (turnover of less than \$2 million a year) or satisfy the \$6 million net asset test
- > The asset sold must be an active asset - with special rules applying to shares and units.

Track 9

SHAREMARKET UPDATE

Elio D'Amato, Lincoln Stock Doctor

- > Despite the market downturn, we believe in the strength of the Australian economy and that of our main trading partners
- > We expect this volatility to continue for another month or so
- > Investors should focus on profitable companies with strong financial health
- > Focus on low PE ratios and good dividend yields
- > Stay away from companies with exposure to the United States
- > Stocks to watch: Jetset Travelworld, Pipe Networks, Structural Systems, Envirozel, JB Hi-Fi, BHP, CSL and Leighton Holdings

Track 10

POSITIONED FOR MAJOR GROWTH

Val Harding, International Interior Images

- > We set out to raise the quality bar in the industry
- > We didn't compete on price - customers were prepared to pay for quality
- > I'm a great believer in asking for business
- > From importing from the UK, we're now exporting to the UK and the Middle East
- > Finding a trustworthy local distributor is important to exporting success
- > I'm proud to be running an Australian company, importing and creating jobs
- > Philanthropy is important - try to give something back

For more information about the topics discussed on this February 2008 program, please contact the relevant organisations listed below.

EMAIL: BREAK THOSE BAD HABITS

The Institute of Chartered Accountants in Australia

1300 137 322

www.charteredaccountants.com.au/training

BRIDGING THE SERVICE GAP

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

YOUR EXPANSION IN 2008

Adrian McFedries, DC Strategy

Tel: 03 8102 9200

growth@dcstrategy.com

Website: www.dcstrategy.com

CLOSING THE SALE

Tony Gattari, Achievers Group

Tel: 02 9440 7373

Website: www.achieversgroup.com.au

PRACTICE PROFITABILITY: DANCING WITH THE GOLDEN GOOSE

The Institute of Chartered Accountants in Australia

1300 137 322

www.charteredaccountants.com.au/training

KNOW YOUR ENEMIES

Graham Haines, bpi consultants

Tel: 03 9870 5159

ghaines@bpisurveys.com.au

Website: www.bpisurveys.com.au

SMALL BUSINESS CGT: KNOW WHERE CLIENTS STAND

Michael Jones, Cummings Flavel McCormack

Tel: 03 9252 0800

enquiries@cfmc.com.au

Website: www.cfmc.com.au

SHAREMARKET UPDATE

Elio D'Amato, Lincoln Stock Doctor

Tel: 1300 676 332 or 03 9854 9444.

Website: www.lincolnindicators.com.au

POSITIONED FOR MAJOR GROWTH

Val Harding, International Interior Images

Tel: 03 9673 1444

Website: www.interior-images.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

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.



**Chartered
Accountants**

NUMBER ONE IN NUMBERS

Invest like Australia's best.

Lincoln's Stock Doctor® empowers Australian investors to select the best stocks, just like Australia's No.1 fund manager.

Stock Doctor® Australia's premier sharemarket investment software solution was one of the key drivers behind Lincoln's Australian Share Fund listing **No. 1** out of more than 466 Large Cap Growth funds¹. With a **49.37%** return for the year to 31 October 2007², you too can invest like Australia's best!

By using Stock Doctor® to manage your portfolio, you can achieve long-term sharemarket success by:

- analysis of all ASX listed companies to help you identify quality shares
- 90 minute coaching workshop
- 30 day money back guarantee
- tax deductible³
- free software upgrades
- unlimited and unrivalled client support
- monthly newsletter.



¹To view the Morningstar list please visit the Morningstar website (www.Morningstar.com.au), follow the Fund QuickRank link, search for All Fund Managers in the Australian Large Growth Category, then rank the funds by Performance - Total Return over the 1 year period (click on "1 Yr" to rank Funds in descending order).

²Underlying investment portfolio for the Lincoln Wholesale and Retail Australian Share Funds. Investments can go up and down. Past performance is not a reliable indicator of future performance.

³Please consult your tax adviser regarding the extent to which Stock Doctor® is tax deductible given your circumstances.

Can you afford another year without Stock Doctor®?

Call **1300 676 332**

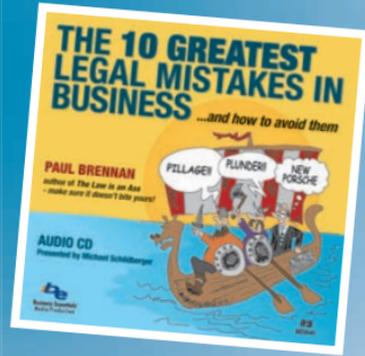
Visit www.lincolnindicators.com.au

lincoln.
**Stock
Doctor®**

“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.

YOU WILL LEARN HOW TO:

- Take the pain out of partnership disputes
- Avoid disaster when buying a business
- Benefit from “restraint of trade” clauses
- Negotiate leases
- Use trade marks to protect your business name
- Prevent the theft of your business secrets
- Survive a computer contract
- Mediate to settle disputes
- Manage litigation - the last resort!

Special BE
Subscriber
Price
\$19.95

**To Purchase a copy of this CD plus eBook
call Business Essentials direct on 1800 039 098**



In-House Training that really measures up

For tailored In-House Training that provides your business or practice with a competitive edge – turn to the experts at the Institute of Chartered Accountants in Australia. We offer customised training in three main areas – technical, general business and people skills.

Visit charteredaccountants.com.au/inhouse
or call 1300 137 322 to find out more.

