

Chartered Accountants

Business **in focus**

Monthly audio program > presented by Michael Schildberger

August 08



The extras



Chartered
Accountants

NUMBER ONE IN NUMBERS



When I left school I really didn't know what I wanted to do. Running a small business would be good I thought. But what type? A friend of my parents advised me to get a job as a copy boy in a newspaper so that I could meet plenty of people and maybe stumble on a business that appealed to me. I accepted the advice never believing that my future would be in the media. I certainly didn't expect that I would become a TV News Director and Executive Producer and host of a national program A Current Affair. After 20 years at the Nine TV Network and eight years hosting an ABC radio program I figured maybe I should consider establishing a small business. The opportunity arose and Business Essentials was born. And that business, somewhat to my amazement, is now entering its 25th year - a quarter of a century.

I've learnt a great deal during those years and figured it would be appropriate to pass on some of the major lessons. You'll hear them when Heather Dawson interviews me on this month's program. I cover the good times and the not so good.

On the subject of coping with tough times we hear from prolific small business author Andrew Griffiths with plenty of sound advice. And talking of tough times we'll be given tips from Stock Doctor Tim Lincoln on how to handle the share market right now.

If you, or clients, are advertising for staff, a departure from traditional job descriptions can help all sides. Nicole Underwood of Entrée Recruitment explains how.

Pitching for new clients or business can be daunting for many and David Griggs of The Speakers Studio offers helpful suggestions.

Negotiation also doesn't come easily to some people but Simon Dowling of CMA says we all have the skill. He'll tell us how we can negotiate better.

As usual I hope you get plenty of value from this month's program and this edition of the Extras booklet. Enjoy.

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Track 2

OUR FIRST QUARTER CENTURY

Michael Schildberger

- > Listen and learn - keep learning as changes occur around you
- > Build a strong culture in your enterprise which spreads to your customers and suppliers
- > I don't mind borrowing money, despite what others say, then you have money available if something goes wrong
- > Build assets so that you have something you can borrow against
- > It doesn't hurt to pay a bill earlier than expected. Organisations you deal with might remember it if you have a problem in the future
- > What lies ahead? We believe some people might want shorter pieces instead of an hour-long program and we're working to make that possible on the Internet, as well as maintaining the CD product

Track 2

NEW JOB DESCRIPTIONS

Nicole Underwood, Entrée Recruitment

- > 80% of job descriptions are "traditional" job descriptions that are outdated, too long and don't capture the interest of today's job seeker
- > Unrealistic "wish list" documents can have drop off rates as high as 90% from uninspired candidates
- > Structurally, job descriptions can be improved by being shortened & simplified with a focus on outcomes to be achieved in the role
- > There is an opportunity for new job descriptions to be used as an attraction tool and to proactively sell an employer's value proposition
- > Expressing what people need to demonstrate as competence rather than experience and knowledge widens your talent pool
- > Writing job descriptions should be done with a marketing hat on and "what's in it for the candidate"?

This month's **essentials**

Track 3

GETTING TO YES: NEGOTIATION SKILLS

Simon Dowling, CMA

- > Negotiation is something anyone can improve
- > Think systematically and analytically about negotiation. This enables you to approach it as a problem-solving exercise
- > The expert negotiator must recognise and deliberately manage planning, negotiating "at the table", and review
- > People perceptions, feelings, and attitudes are a key part of negotiation
- > Don't under prepare or approach the negotiation as a competition

Track 4

ECONOMIC UPDATE

Professor Neville Norman, Melbourne University

- > Forecasting tip : focus on items moving outside acceptable boundaries
- > Second tip: look at what others are saying
- > Inferences from The Age Panel of Economists, published 5 July 2008:

Item:	Growth	Housing Investment	CPI Growth	Wages Growth	Budget Surplus	Cash Rate 30 June 09
Average	2.45 %	0.65 %	3.52 %	4.35 %	\$20.4b	7.2 %
Highest	3.5 %	5.1 %	6.0 %	7.0 %	\$25.0b	8.5 %
Lowest	0.0 %	-4.0 %	2.9 %	3.0 %	\$10.0b	6.25 %
Neville N	2.6 %	2.0 %	2.9 %	4.9 %	\$16.5b	6.5 %

All items 2008/09 unless stated otherwise.

Forecasts of international variables

Item:	\$US/\$A at 30 June 09	Euro/\$A at 30 June 09	US Growth over 2009	Net Foreign Debt 30 June 09
Average	0.90 c	0.60 Euro	1.25 %	\$661 b
Highest	0.99 c	0.63 Euro	2.50 %	\$760 b
Lowest	0.78 c	0.54 Euro	-2.00 %	\$590 b
Neville N	0.89 c	0.60 Euro	1.90 %	\$760 b

- > Practical implication: an Australian recession - or even a US one - unlikely
- > Some variables show greater variance - so do things in your business domain - track them more carefully. E.g. ASX 200 ranges from 5000 to 6600

Track 5

COPING WITH TOUGH TIMES

Andrew Griffiths, Oceanic Marketing Group

- > Tough times are inevitable - it's important to plan ahead
- > Be pro-active - act quickly to reduce costs and seek out new opportunities
- > Don't be too embarrassed to ask for help when you need it
- > Watch for the warning signs that clients are in trouble
- > Talk openly and often, to both creditors and debtors
- > Don't carry all the burden yourself - it's too stressful

Track 6

PERSUASIVE PRESENTING TO GROUPS

David Griggs, The Speakers Studio

- > The ability to deliver a persuasive presentation or pitch is essential to win business and new clients
- > The nervousness people experience before a pitch or a speech is a natural response
- > The "flight or fight" response is the brain responding to signals of DANGER - e.g. I am going to be judged
- > Consider the client's needs FIRST when structuring your pitch - they do not want to know only what you have done - they want to know what can YOU do for THEM
- > Controlled breathing is the key to overcoming stage fright. Breathe in for 4 seconds, hold for 4 and out for 5 - do this three times
- > Make your presentations more interesting by using stories - i.e. examples of problems you have solved for others

Track 7

GOING PUBLIC: PROS & CONS

Adrian McFedries, DC Strategy

- > Think about why you're doing it
- > Main pros include access to capital, the ability to scale the business and growth
- > Think about getting private equity instead of going public
- > Cons include the short life of many listed companies
- > Governance difficulties are an enormous jump for an SME which goes public
- > It's easy to be caught out by market forces

Track 8

MANAGING WORKPLACE DRUG & ALCOHOL ABUSE

Michael White, Frontline Diagnostics

- > 70% of drug and alcohol abusers have a job - they need the money
- > Business owners and managers can be held responsible for incidents involving drug-affected workers
- > Business reputation will become a casualty of a workplace drug culture
- > Warning signs include extreme fatigue, irrational and aggressive behaviour, inability to concentrate
- > "Clean" staff will welcome an effective and well-managed drugs policy
- > If testing's required, everyone should do it, from the boss down

Track 9

TAX: FAMILY TRUSTS AND CAPITAL GAINS

Michael Jones, Cummings Flavel McCormack

- > When a family trust distributes a capital gain, care is needed to avoid a nasty tax surprise
- > If a capital gain is distributed to one beneficiary and income to another, the law taxes the income beneficiary on both the capital gain AND the income. CGT concessions can be lost.
- > The Tax Office acknowledges this is unfair and offers a concession which allows either each beneficiary to pay tax on what they receive, or the trustee to pay tax on the capital gain
- > The concession requires participants to enter into a written agreement within two months of the end of the financial year
- > All the parties must lodge tax returns in accordance with the agreement

Track 10

SHAREMARKET UPDATE

Tim Lincoln, Lincoln Stock Doctor

- > Panic is unavoidable if you don't know the quality of the shares in your portfolio
- > If you're confident about your portfolio knowledge it's a good time to clean out not-so-good performers
- > Many current investors have never known a tough time. We can learn good lessons here
- > History shows the market will pick up stronger than it was at the fall
- > Focus now on businesses which are financially strong with good management and are undervalued
- > Stock favourites: BHP, CSL, Leighton Holdings, JB Hi-Fi, Bemax Resources, Incitec Pivot, Westpac

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

OUR FIRST QUARTER CENTURY

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NEW JOB DESCRIPTIONS

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

GETTING TO YES: NEGOTIATION SKILLS

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

ECONOMIC UPDATE

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COPING WITH TOUGH TIMES

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PERSUASIVE PRESENTING TO GROUPS

The Institute of Chartered Accountants in Australia
1300 137 322
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GOING PUBLIC: PROS AND CONS

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MANAGING WORKPLACE DRUG & ALCOHOL ABUSE

Michael White, Frontline Diagnostics
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Website: www.frontlinediagnostics.com.au

TAX: DISTRIBUTING CAPITAL GAINS FROM A TRUST

Michael Jones, Cummings Flavel McCormack
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Email: enquiries@cfmc.com.au
Website: www.cfmc.com.au

SHAREMARKET UPDATE

Tim Lincoln, Lincoln Stock Doctor
Tel: 1300 676 332 or 03 9854 9444

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NUMBER ONE IN NUMBERS

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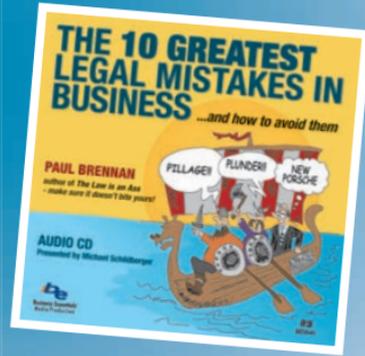
The logo for Lincoln Stock Doctor features the word "lincoln" in a blue sans-serif font with a green bar above the 'i'. Below it, "Stock" is written in a larger, bold, black sans-serif font, and "Doctor" is written in a smaller, black sans-serif font with a registered trademark symbol (®) to its right.

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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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