

biz tips
2008

bizology *n* the freedom you need to take care of business

We can support your business success.

While every bizology client is at a different stage of the business 'life cycle', they have one thing in common - something needs to change. Our clients regularly confide that they know what needs to be done, but simply do not have the time, resources and sometimes expertise to make it happen.

Helping business owners stay focused is what we do.

Our unique consultancy offers a diverse range of services, from executive level management support, project management, governance and compliance through to business planning and staff, finance, payroll and business administration.

Supporting your business is our business.

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JANUARY 2008

Growth Plan

So, you've decided that 2008 is going to be a year of growth for your business. Are you well prepared? Of course, you have your complete financial plan, with cash flow to weather the inevitable 'bumps in the road', and you know your customers like the back of your hand. But are you really psyched up for growth?

Can you clearly articulate your business model? Do you have the passion for owning a business, especially the one you are in?

It's time to change your role to avoid doing everything yourself. Consider how you can delegate day-to-day operations to others and become the leader, strategic thinker and planner. If not, find someone who can work through this with you, such as a coach, or seek help from other business people, business advisers or business support organisations.

Take time out from just "doing it". Allocate thinking, planning and review time every week. Do not allow anything to interfere with this time. You run the business. Don't let it run you.

FEBRUARY 2008

Staff Retention

Retaining an engaged and good quality workforce is a constant challenge and as an employer, you must be vigilant and creative about the benefits you offer the people working with you.

It's no longer just about an excellent salary package and a sound business culture and values. More and more employees want professional development opportunities, support for study and flexible work arrangements, such as working from home.

Many employers are looking at ideas like paid days off on employment anniversary dates or birthdays, or three to five paid days a year for community volunteering.

Is it time to review what you can offer and still be a productive, profitable business?

MARCH 2008

Backup today!

What would happen if your laptop, computer or network crashed or was stolen? Unfortunately, it's often only when you experience this first hand that the painful consequences of inadequate procedures become obvious.

You will be coping with the loss of information and intellectual property, as well as time lost and stress gained, coupled with the frustration that it happened in the first place.

Even if you believe your business has good backup procedures, have you tested them recently?

Here are some obvious tips and procedures.

- 1 Chose a backup media appropriate for the size of your business.
- 2 Make someone responsible for backing up regularly. If it's you, do this often - daily is best - and don't forget to back up your emails too (for example, back up Outlook to a PST file if not using a domain.)
- 3 Have more than one backup.
- 4 Store backups securely offsite, in another office, at home or in a bank or PO box, preferably in fireproof storage.
- 5 Document your computer backup system and business backup plan.
- 6 Test your backup systems regularly.

Your business data is likely to be irreplaceable. Don't risk it. When was the last time you backed up your data? Do it now – then review your procedure immediately!

APRIL 2008

Fringe Benefits time

The FBT Year runs from 1 April 2007 to 31 March 2008. If you have an FBT liability you must calculate this, lodge a return and pay any tax due by 21 May, 2008.

Talk to your accountant regarding this calculation and to ensure you understand those expenses that may attract Fringe Benefits or are Fringe Benefit Tax Exempt, such as a laptop, mobile phone (used primarily for business), PDAs, or briefcases.

Your accountant can also advise you about the changes that have been made to minor fringe benefits, in-house benefits, the reportable fringe benefit threshold and other matters.

It is important to remember that you must keep adequate records and employee declarations to assist with your calculation.

You may be able to provide benefits to your staff as 'staff rewards' that are also good for business. The new Fringe Benefits Year commences 1 April 2008, so this is an excellent time to review this with your accountant.

MAY 2008

Your procedures manual

Until it is written down and refined, a procedure cannot be easily or efficiently replicated. A good procedures manual will greatly assist your ability to produce quality business outcomes, whether it's processing payroll, finishing a product with perfect precision, or consistently delivering high quality customer service.

Your procedures manual will be there when you need it, such as when staff members take holidays, call in sick, or resign. You may want to take a break or free yourself up for more important tasks. Your manual will help you delegate with confidence.

Some of the benefits of your procedures manual are:

- Continuous improvement. You will know what is to be done, how it is done, in what order and what the quality outcomes must be.
- Reduced time in training new or developing staff.
- Clarification of performance management and quality expectations for your staff.
- Support with meeting compliance and statutory requirements.
- Assistance with succession or crisis planning.
- Enhanced business presentation. A potential buyer can clearly see how things are done.

So, what are the challenges in preparing a procedures manual?

Making a start.

Solution: The best plan is to just start anywhere - look for what is really important to your business.

Being daunted by the detail.

Solution: Make sure it is not too lengthy. Use dot points, lists, flowcharts and screen capture tools like Snag-it.

Overall, keep in mind that your procedures will change as your business does. The manual should always be alive and under continual improvement.

JUNE 2008

Tax Time

Talk to your accountant and/or financial planner about the tasks you can do for your business or yourself at this important time of year, such as:

- Review your assets register and write off any obsolete, broken or lost items
- Pay any superannuation entitlements before 30 June to get the deduction
- Maybe pay yourself a bonus – you deserve it! Consider salary sacrifice to superannuation to maximise the benefit
- Make a tax-deductible charitable donation – help others whilst receiving the deduction.

Once 30 June is here, you should undertake a year-end payroll reconciliation of payroll, PAYGW, superannuation, payroll tax and WorkCover. This will ensure you are ready to issue Payment Summaries to your staff by 14 July.

JULY 2008

Are you covered?

Imagine your frustration at discovering that while the vehicle is covered, the tools, laptop, phone and business records left inside were not, nor is the time you will now lose while you replace these items and the vehicle.

Talk to your insurance broker about the types of insurance your small business should have. Ask about...

- Business contents – fire, theft and damage, especially specific circumstances that might affect important assets such as laptops and phones
- Business interruption cover – if your premises or stock is damaged/ destroyed and you need funds to cover re-establishment or temporary relocation
- Business records cover – to re-enter all your business data if it is lost
- Travel insurance - especially medical and health matters
- Public liability - protecting you and your business against the financial risk of being found liable to a third party for death or injury, loss or damage of property or 'pure economic' loss resulting from your negligence
- Professional indemnity – if you provide any type of advice that affects your customer's operations
- Income protection and Key man – to cover both business and personal income streams.

A broker is well placed to tailor products to your business needs, offer advice on legislative requirements and help identify your risks. A good broker will also see you through any claim, big or small.

The specialist knowledge and convenience offered by a broker will leave you free to get on with the job. Take the hard work out of insurance – talk to a broker now before it's too late.

AUGUST 2008

WorkCover changes that could affect you

In June 2008, the South Australia Government passed some significant legislative amendments to the WorkCover Scheme. Are you up to speed with how these changes may affect your business?

The amendments introduced affect both the Workers Rehabilitation and Compensation Act 1986 and the WorkCover Corporation Act 1994. It is claimed that the new legislation will assist in significantly increasing return to work rates in South Australia, thereby minimising the negative impacts of injured workers remaining on the Scheme and enabling a reduction in the cost of levies paid by employers. There are also changes that affect injured workers and employers. WorkCover SA has published a guide called The WorkCover Scheme – A Guide to the Changes, which is available at www.workcover.com

SEPTEMBER 2008

Is the writing on the wall for your business?

Potential business failure is an unfortunate fact of life for business owners. The good news is that the early signs of success and failure – the writing on the wall – are there for all to see, provided we know where to look!

In his book 'The Writing on the Wall: Reading the Signs of Business Success and Failure', Dr Terence Sheppard, a Bizology client, explains how learning to read those indicators can change the future of your business.

In this entertaining and perceptive book, Sheppard provides insights you won't find in standard management textbooks and tells you exactly how healthy your business really is. By the end of the book you will be able to answer the following questions:

- Is your business a secret junkie?
- Does your business mend its "broken windows"?
- Does your business have a BBQ statement?
- Does your business fail successfully?
- Are your staff members working in economy class?
- Do you waste time motivating staff?
- Are you working too hard to succeed?

Check out website – www.thewritingonthewall.com.au

OCTOBER 2008

Australian Privacy Laws – are you compliant?

Private sector amendments to the Privacy Act 1988 (Cth) were introduced in December 2001. These provisions provide for 10 National Privacy Principles (NPPs). Certain private companies are required to comply with these NPPs with regard to the way personal information is handled.

If your business:

- Has a turnover of \$3 million or more
- Is related to a corporation with a turnover of more than \$3 million
- Provides health services which hold health information
- Collects and/or discloses personal information for a benefit, service or an advantage, or
- Falls into a category that is prescribed by regulation under the Act

then you must ensure that your business operations comply with privacy legislation.

If your business is required to comply with the NPPs you will need to assess your business operations and how you may collect, use, disclose and store personal information, as well as how individuals may access and correct personal information held about them.

Your business may need to do some or all of the following tasks:

- Write or review privacy policy
- Publish a privacy statement on your website
- Look at how you raise the awareness of staff, customers and management regarding privacy issues
- Conduct a voluntary privacy audit
- Review your IT security policies and procedures
- Review your forms and publications for compliance
- Review and document your procedures re collection, use, storage, disclosure and disposal of personal information.

The above list is not exhaustive. If in doubt, ask for advice or consult the excellent website provided by the Australian Office of the Privacy Commissioner, which offers many helpful resources.

Visit www.privacy.gov.au

NOVEMBER 2008

Tips for export success

If you are considering or just beginning to export your product, you probably need as much assistance as you can to get up and running.

Bizology recently attended a presentation by the SA Department of Trade and Economic Development (DTED) at a small business expo. The department has several excellent programs that have been designed to help businesses - including small business - to gain access the export market. These programs include...

TradeStart - this package of free services, offered in partnership with Austrade, will assist your business to develop overseas markets and make your first export sale. Prepare your company for international markets with services including:

- advice on international marketing strategies,
- feedback on promotional material,
- information about economic conditions and commercial practices in target markets, and
- evaluation of the suitability of a product or service within a proposed target market.

Market Access Program (MAP) - this dollar-for-dollar grant scheme for outbound and inbound trade missions aims to improve the export capability of South Australia's small and medium businesses. Eligible businesses may receive;

- Overseas missions - \$5,000 for an individual business or \$75,000 per group,
- Inbound trade missions - up to \$1,000 for an individual business and \$5,000 for groups,
- Up to \$1,000 for activities that increase the ability of a business to export, such as a website or business stationery.

For a range of practical resources and more information, visit the Department of Trade and Economic Development website at www.exportsa.sa.gov.a

DECEMBER 2008

Fringe Benefits Tax

If your Christmas party or gifts can fit within a Fringe Benefits Tax (FBT) exemption, then it will be a happy Christmas experience for all!

The Australian Tax Office (ATO) has taken a flexible approach to the way in which the exemption is applied. This means that different benefits do not have to be added together when applying the 'less than \$300' threshold. For example, both a staff Christmas party and a staff gift may be exempt from FBT, even if they were provided at the same time, as long as each costs less than \$300.

Although the ATO has not provided specific guidelines, it does refer to "infrequent", on "special occasions" or "moderate" value, so businesses do need to take care.

To be classed as a deduction and not subject to FBT, a staff gift must not be entertainment, for example, tickets to a concert or a restaurant voucher.

Also, remember to give careful consideration to your Christmas party so that you know what is subject to FBT and what is not deductible. You need to consider factors such as where the function is held, who attends, what is provided, the cost involved and your income tax status as an employer.

Why not have a chat with your accountant now to ensure you gain the best value out of your staff investment this Christmas.

Bizology wishes you a happy and healthy festive season and a successful 2009.

Deborah Floyd & Bob Hawkes
Directors