

# THE RIGHT WAY TO HANDLE IRATE CUSTOMERS

If you do business on the web, have a way for customers to make a phone call and get a human to respond. If you don't have someone available to answer the phone at all times, have a recording telling callers when they can get a real person to take their call. Give them the opportunity to leave voice mail, and be sure all calls are returned within one business day **or sooner**.

If a customer calls up and has a go at your company, don't take offence.

**Don't be nasty. Don't go ballistic.**

Instead make the first words out of your mouth **"I'm sorry you're having a problem with . . ."**

*(repeat the problem they expressed)*

**I'll be happy to help you with that . . ."**

Ask the customer to explain why they are unhappy. Repeat the problem back to the customer to make sure you have it right. Then, give the customer the information or whatever is necessary *(including a refund)* to solve the problem.

Unless you are selling a defective product or service, or the product or the service is not worth the price you are selling it for, you'll wind up turning most of your unhappy callers into satisfied customers who order from you again and recommend your company to their friends and associates.

# DON'T BLAME OTHERS FOR LOST TIME

## HOW MANY TIMES HAVE YOU DREAMED OF HAVING MORE THAN 24 HOURS IN A DAY?

Probably quite a few. But in reality, would you do things any differently? If you've got bad time management practices now, you're likely to fill any extra hours in the same way.

Good time management involves planning, delegation and elimination of bad time-wasting practices, and it's essential for small business owners.

Everyone is allocated the same amount of time each day. How you spend it will have a significant impact on how you perform in business.

You need to work out what hours you will allocate to work, sleep and leisure. Then work out how you will allocate the competing areas of responsibilities within your business, for example: sales, attention to clients and staff, planning, leadership, training and development and skills maintenance.

Working on your business, on the planning of your business, is really critical. This is where you need to be spending most of your time – looking for new opportunities, relationship building, long-term planning and so on. To achieve it you should try for a quiet, uninterrupted time each day. Consider having messages taken for you to return at specified times.

Other things to consider include:

- goal setting and marking off when each task is completed
- encourage your staff to set time goals and productivity targets
- periodically prepare a log sheet of the amount of time you spend on various tasks
- analyse your daily log at the end of each day, did you achieve what you set out to do? why didn't you achieve what you set out to do?
- control the telephone, do not allow it to control you
- determine the activities that waste your time and plan to overcome the problem
- stick to agendas and time limits at meetings, take minutes and distribute
- create specific times when you will meet with visitors and network with colleagues
- never blame other people for your time management problems!

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## DEAR FRIENDS

It is a perfect Friday in Hawke Bay as I write this to you. The truck strike/go slow has just been completed and the first Tri - Nations test is tomorrow night.

As I contemplate the present political scene it is becoming increasingly apparent that this government has run out of puff after three terms in government. Of course it is not only this government but governments of all political persuasions! After a while, they all seem to lack ideas or inspiration, to show leadership and vision for us all. We descend into penny dreadful politics.

My thought is how this malaise seems to apply to us as business people as well! You know that I am a great fan of learning and continuing to learn from the cradle to the grave. I try and learn something new every day – even if it is only a new way to hit the golf ball straighter and farther!

The ideas box seems to dry up and we **'get in a rut'** and discount new ideas as being too far out of our comfort zone or even worse 'I've already tried that and it won't work!'

So this gets back to learning new things and ways of doing the same things in a different and better way!

To this end we are starting to run a series of meetings to which various business owners will attend. These will be free as they will be held in our board room with minimal contribution from us, unless you want us to be there!

If you would like an invitation please let Jeanette know!

Welcome to clients who have joined since the last Newsletter – remember that if anything does not make sense ask us until it does! A big thank you to those clients who have referred new clients as well!

This is like a plumber telling me how to clear a blocked drain – I would need several explanations of what to do before I got it right! *(all right Cheryl probably about six or seven!)*

I send out an email fortnightly (roughly) newsletter too! It is half a page long and you should be able to read it in a few minutes. If you want to be added to that list, let Jeanette know as well!

And remember that we have passed the shortest day so summer is just around the corner!

*Don, Cheryl, Sally, Jeanette, Heather, Anna, Lee & Sabi*

## ARTICLES

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## TOP TEN STEPS TO THINKING BIG

### 1 YOU ARE ALMOST CERTAINLY MORE TALENTED THAN YOU'D EVER IMAGINE

It's your duty to make the most of these talents.

### 2 MONEY MATTERS

It gives you choices. But never be ruled by money. It may be a cliché but you can't take it with you.

### 3 DOING THINGS THAT YOU BELIEVE WORTHWHILE

Makes you feel and be successful.

### 4 ALWAYS GIVE THOSE ABOVE YOU HONEST FEEDBACK

Too few do. They'll value you as one of their honest barometers.

### 5 HAVE A PLAN TO SET YOURSELF MILESTONES

Decide when you need to move on from everything you do. The emancipating effect of knowing that you have an exit plan will be extraordinary.

### 6 FAILURE IS A GREAT TEACHER

Don't be frightened of it, learn from it and get better. And don't blame others when it happens.

### 7 LEARN TO SEE THINGS FROM EVERY POINT OF VIEW

The key to spectacular, breakthrough success is turning a conversation upside down.

### 8 AVOID NEGATIVE THINKERS

Life is too short to be gloomy.

### 9 TRY TO SPOT PATTERNS

Big pictures comprise shapes. If you can see relationships and shapes you can almost certainly see opportunities.

### 10 BE INFORMED

Keep up to date with new developments and earn the reputation of being a well informed and curious person.

## DONATIONS AND REBATES

Limits relating to donations deductions for companies and the donations rebates for individuals have been removed from the 2008 - 2009 income year. As a result of the changes, companies will be able to claim a deduction for donations up to an amount equal to net income. Individuals will be entitled to a tax rebate of one third of their donation, limited to the amount of the person's tax credits for the year. Previously, both companies and individuals were subject to limits on the amount of deductions and rebates, respectively, that could be claimed.

In the past the IRD were reasonably practical, even relaxed when it came to processing applications for an individual's donations rebate. However, as these changes are likely to result in an increase of tax being refunded by the IRD, there was uncertainty regarding whether the IRD would increase their scrutiny during the processing of donations rebates. The uncertainty arose because the legislation prescribing who could claim a donation rebate simply refers to a person who makes a gift. There has been concern that where a donation receipt is issued in the name of a non-working spouse who has no tax credits, the donation rebate would be disallowed by the IRD. The issue has recently been clarified by the IRD.

Where a donation is made in joint names, both parties are eligible to claim either the whole, or part, of the rebate, provided the combined claimable amount does not exceed the donation, and that the amount either individual is claiming is not greater than their personal taxable income.

Where a donation is made solely by one spouse, and that donation exceeds that person's taxable income, the other spouse can claim the balance of the donation, up to the amount of the other spouse's taxable income.

Irrespective of which spouse is named on the receipt (*or both - jointly*), if more than one claim is made relating to a donation, one spouse must attach the receipt to the claim form. The other spouse must attach a note to their claim form giving the name and IRD number of their spouse with whom they intend to share the claim.

For example, if a married couple makes a donation and the receipt is issued in the name of the spouse with no taxable income, that spouse would be unable to claim a donations rebate. However, if the other spouse has taxable income greater than the donation, that other spouse may claim the entire donation amount.

The following situation illustrates the need for companies to be aware of how the new rules work before gifts or donations are made. Consider a motor vehicle dealership that wishes to donate a new vehicle to a worthy charity. The vehicle is donated, and the charity is very appreciative. If the company expects to claim a deduction based on either the cost or market value of the vehicle, it may be surprised to find a deduction will not be available. In order for a company to claim a donation as a deduction it has to be a donation in cash.

It is clear that Government has intended increased tax benefits to come from making charitable gifts and donations. There is however, uncertainty as to whether or not this intention will be achieved in practice.

## TAX ESSENTIALS FOR EMPLOYERS

Most of the tax changes in this year's budget are based on changing the tax thresholds rather than tax rates themselves. As from the **1st October 2008**, the following tax rates will apply:

12.5%	up to \$14,000.00
21%	\$14,000.00 to \$40,000.00
33%	\$40,001.00 to \$70,000.00
39%	\$70,001.00 and above

The new rates are effective for any pay period ending on the 1st October, not the pay period starting 1st October. Adjusting the thresholds merely returns the tax-payer back to what they were paying in 2000. Merely a tax correction which should not be labelled a tax cut.

Source: [www.wooddrivers.co.nz](http://www.wooddrivers.co.nz)

## THE QUIRKS OF FAMILY ASSISTANCE

Family Assistance legislation is renowned for being subject to change, including its name, which has recently been changed to "**Working for Families Tax Credits**". The legislation, as written, creates the impression that it applies to a person employed by a third party on a salary or wage. There are provisions that apply to the self employed and those employed by a related entity, such as a company or trust. However, in some cases, the provisions do not lend themselves to easy interpretation for the purposes of the self employed person. The result is what can be considered as 'gaps' in the legislation.

It is generally well known that the income thresholds that enable a person to receive assistance have increased. As a result, the provisions around the legislation are receiving more and more attention.

The following may prove interesting:-

### CLOSE COMPANIES

A '**Close Company**' is a company where more than half its shares are held by five or fewer shareholders that are '**natural persons**'. Where a person has 10% or more of the shares in a close company the income of the company must be apportioned to the person based on their shareholding, to determine their income for family assistance purposes. The obvious example would be a company with all its shares held equally by the parents of three children. However, if the same shares were held by a family trust, it would no longer meet the definition of a 'close company' (*i.e. a trust is not a 'natural person'*) and the income of the company is ignored for family assistance purposes.

### IN-WORK TAX CREDIT

One of the '**gaps**' in the current legislation relates to the '**In-Work Tax Credit**' component. One of the requirements to receive the payment is that a person (*or their spouse*) must be a "**full-time earner receiving income from a work activity**". In some cases people who work for their own company may not actually receive any income from their company, for example where no shareholder salary is paid. It is understood that in these cases the IRD is not allowing payment of the '**In-Work Tax Credit**' as no income has been received by the person from their employment. It is unclear from the legislation what amount of income would be required. It would seem unreasonable to pay a market salary to a shareholder in order to receive the tax credit, whilst the company makes a loss as a result of the salary.

### LOSS ATTRIBUTING QUALIFYING COMPANY

If a person is attributed a tax loss from a '**Loss Attributing Qualifying Company**' (LAQC) that loss is excluded for the purpose of determining their income for family assistance purposes. A common example would be a rental property held by an LAQC, where any attributed losses from the rental company would be excluded. If however, that rental property were held personally and the rental activity does not amount to a '**business**' (*which is likely in the case of only 1 or 2 rentals*), then that rental loss can be included for family assistance purposes. This has arisen as a result of the legislation requiring that a loss derived from a '**business**' operated by a person be excluded. This rule can therefore be applied to any activity entered into by a person, for the purpose of deriving taxable income that results in a loss, as long as the activity does not amount to a '**business**'. What constitutes a '**business**' is determined by a number of factors such as the commitment of time, money and effort.

*These points should be kept in mind by anyone currently receiving or expecting to receive 'Working for Families Tax Credits'.*

## ARE YOU ANNOYING YOUR CUSTOMERS?

Customers are often put off by staff members because of their annoying habits.

### CHEWING GUM, EATING OR DRINKING

Customers are certain to hear the chomping and slurping when you are talking to them, so don't do it.

### USING SLANG

Customers respond more effectively to "you're welcome" than "no problem". Avoid work place jargon and technical language as well.

### SAYING NO

Customers hate being told something can't happen. Replace "no I can't do it today" with "I'll have it done for you tomorrow morning".

### HAVING PERSONAL CONVERSATIONS IN FRONT OF THEM

The customer is first. Drop your conversation and attend to them. Don't have inappropriate conversations in front of them.

### REDIRECTING BLAME

It may be easier to blame co-workers, but you can easily damage the credibility of your business when you do.