

These questions about Australia are from potential visitors. They were posted on an Australian Tourism Website, and the answers are the actual responses by the website officials who obviously have a sense of humour . . .

Q. Does it ever get windy in Australia? I have never seen it rain on TV. How do the plants grow? (UK)

A. We import all plants fully grown and then just sit around and watch them die.

Q. Will I be able to see kangaroos in the street? (USA)

A. Depends how much you've been drinking.

Q. I have developed a new product that is the fountain of youth. Can you tell me where I can sell it in Australia? (USA)

A. Anywhere significant numbers of Americans gather.

Q. Please send a list of all doctors in Australia who can dispense rattlesnake serum. (USA)

A. Rattlesnakes live in A-meri-ca which is where you come from. All Australian snakes are perfectly harmless, can be safely handled and make good pets.

Q. Can I bring cutlery into Australia? (UK)

A. Why?
Just use your fingers like we do.



5 NO-COST MARKETING TIPS

• NETWORK AT EVENTS

Go to Chamber of Commerce meetings, industry group meetings and other organisational meetings. Phone and email to follow up contacts.

• ATTEND PUBLIC MEETINGS

At every public meeting make a commitment to say something which could be useful to those attending.

• CREATE A "USEFUL" HANDOUT

A handout that when given to a recipient they keep because it has value. Make sure that you include your name, phone number, email address, website information and something that tells the recipient about your business.

• CREATE JOINT VENTURES

Find colleagues and business associates whose business compliments yours and do joint promotions.

• WRITE LETTERS TO EDITORS OF LOCAL NEWSPAPERS AND BUSINESS PUBLICATIONS

Make them interesting and newsworthy. You'll be surprised at how often a good letter will get printed. Remember to include your contact information and website address.

THOUGHT FOR THE DAY

Opportunity is missed by most people because it is dressed in overalls and looks like work.

Thomas Edison

Making More Possible

Business Results Limited

better BUSINESS

SEPTEMBER 2007

DEAR FRIENDS

Another year is quickly slipping away from us. The birds (*thrushes and blackbirds I think*) are singing very loudly in the mornings now and the wonderful tuis have returned to the golf club course to sip the nectar from the mass of spring blossom.

Indeed the light has suddenly become softer and warmer; the rain comes over in little squalls which still have a real hint of the winter which we have just come through; the lambs and other babies are everywhere and it is great to be alive!

My little granddaughter is growing like a little mushroom and she is to be joined by a small brother or sister in December.

The regeneration process is always a constant miracle to me. As we age, new, smaller and hopefully better citizens are constantly being born to replace us. Does this mean that we are redundant?

OF COURSE NOT !!!

One of the great challenges we face in my view is to allow our senior citizens to pass on their accumulated wisdom to these new fresh young faces!

This passing down of wisdom seems to be looked on as superfluous by the current younger generation. Perhaps that is my generations fault!

We were (*and some still are*) the flower power and anti war generation. Our parents experienced, and we heard about, the depression and the second great war and all the restrictions that they faced.

So I say celebrate your age! We can display the subtle and not so subtle idiosyncrasies with aplomb and without an apology!

Kiwisaver is now with us. We believe that there is a lot more learning that needs to be done – however! We strongly recommend that you read the enclosed flyer and take **ACTION!**

With all good wishes.

Don, Cheryl, Sally, Jeanette, Heather, Anna, Richard, Nick & Lee

ARTICLES

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TOP TEN REASONS BUSINESSES FAIL

Many businesses will fail inside their first 3 years. Don't be one of them!

Here are the top **TEN** reasons for most failures:-

1. UNDER CAPITALISED

Without sufficient capital to keep your business going, until it is profitable, it will sink.

2. LACK OF A SYSTEM

This is probably why most entrepreneurs failed in several businesses before succeeding.

3. NO MENTOR

This goes hand in hand with the lack of a system. In business it is everyone for themselves.

4. POOR VISION

A lot goes into a business and failure to look forward into the future could be disastrous.

5. LOCATION - LOCATION

When depending on the public for your profit, this is vital.

6. POOR MARKETING

A poor marketing campaign will drown you quicker than any other reason for failure.

7. LACK OF AMBITION

Without ambition you are like a car without any petrol – dead!

8. NO PERSONAL OR SELF-DEVELOPMENT

Knowledge and positive thinking creates excitement and motivation.

9. POOR PLANNING

Failure to have a successful business plan will result in confusion and frustration.

10. BAD PRODUCT OR SERVICE

Find a need and you will have a product.

DIGGING YOUR WAY



Too many business owners paper over the cracks in their enterprises, hoping things will get better. When a business gets into trouble, its owners, staff, creditors, clients and stakeholders feel they are the last to know. And as a result all hell can break loose. Is this inevitable? Or is it possible to predict – and even prevent – the slide toward the wall. Rarely does a company go into liquidation overnight. There are usually early warning signs that indicate poor financial health. Sadly though these indicators are often easy to overlook.

So what is the vigilant business owner to do? Here is a 5 step plan:-

1. ESTABLISH EFFECTIVE REPORTING

Ensure financial and other reporting processes are accurate and timely. This means you should be steering wrong only for a month or two at the most. If necessary seek advice on how to set up the right processes from the beginning. It's money well spent.

2. UNDERSTAND THE BUSINESS

Ensure your interpretation of the data you receive is accurate and that action results. Some clients use their accountants on boards (*formal or advisory*) or to provide an independent check on reporting and raise the tough questions. They can be dispassionate and also perform a mentoring role.

3. ADDRESS THE ISSUE NOW!

No matter how hard it may seem, early diagnosis and treatment is better and gives you more scope to deal with your business issues. Don't wait till the cancer spreads.

4. FOCUS ON THE RIGHT STUFF

Turning a business around, or even running a business, is about a combination of accounting, strategy and management. Seeking the right advice can make a real difference between failure and success.

5. CREATE A PLAN AND IMPLEMENT IT WITH A SENSE OF URGENCY

Each business is unique, but each plan must have buy-in from staff, a vision to inspire change, short term wins and an underlying drive toward continuous improvement.

The adage that prevention is better than cure is just as relevant for the health of a business. Put monitoring systems in place, make sure you are conversant with the signals they send and act early to stop any rot.

Trevor Thornton- Dominion Post 27.08.07

TO LEASE OR **NOT** TO LEASE

Its one of the big business questions we all face – is it better to buy or lease equipment for your business, and what are the tax implications?

Think about these issues before you decide:-

• HOW OFTEN WILL YOU USE THE ITEM?

If it's only to be used once in a while, hire or lease when you really need it.

• WHAT ELSE COULD YOU DO WITH THE MONEY?

The money could be better used as working capital, which will give you a better return than tying it up in equipment.

• WHAT WORKING CAPITAL DO I HAVE?

If you want to buy the item, use surplus cash. Cash flow forecasting will help determine if you can afford it! Use profit Optimiser to determine this!

• WHAT WILL THE EFFECT BE ON MY PROFIT?

The lease option is best in the first year because the cash flow situation is better, but always remember it becomes less attractive over the term of the lease.

• WHAT ABOUT A BANK LOAN VERSUS A LEASE?

The payments on a three year bank loan for an item of around \$10,000 are not much different from the lease payments.

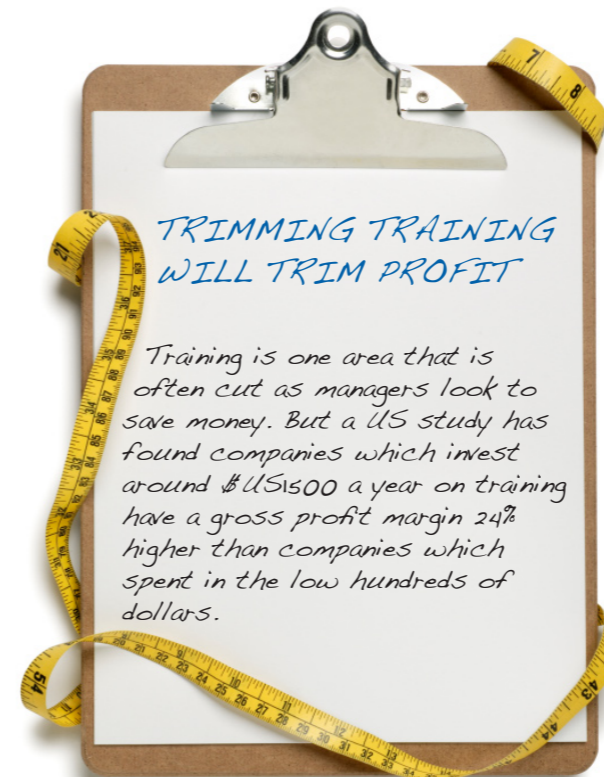
• REMEMBER

all the finance company wants to do is lend you some money! If you lease with an agreed buy back figure after three years (say) then the finance company will factor in this risk as well.

SOFI

Remember that we are able to find the **best** finance deal for you – whether it is lease or hire purchase!

Our rates are the best available and we can give an immediate response as to which finance company's are interested in your deal and what their indicative interest rate is.



REVIEW YOUR LOSS OF PROFITS INSURANCE REGULARLY

When there's an interruption to your business, you may receive funds under loss of profits insurance policies, but it is dangerous to use last year's results to fix future sums insured. With Loss of Profits Insurance the sum insured is dictated by a combination of the indemnity period, business trends and the insurance year. Always project and insure for at least two and a half years ahead.

Loss of Profits insurers have acknowledged this problem by:-

- Reducing premium rates for lengthy indemnity periods.
- Charging deposit premiums at inception.
- Including a premium adjustment clause in the policy whereby the premium is retrospectively adjusted to annual gross profit or rentals revenue earned.
- Include an award adjustment clause to provide limited automatic increases.

Including a trend clause in the policy to guarantee trends in the business are recognised in any claims adjustment.