

BRAINS OF BUSINESS

A collaborative business newsletter, focussing on practical and useful information that benefits you and your business.

In this issue our contributors look at BOOM OR BURST.

Issue 2
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Property Booming??? [Page 2](#)

Property and finance are both subject to cycles. Learn how to get the best out of your investments.....by *Steve Fuller & Terry Carrol, Money Depot*



Christmas - Boom or Burst [Page 3](#)

Make sure you know if your business is following the track towards booming and not heading towards bursting.....by *Dean Murphy, Valentini & Murphy*



Here's how to ENSURE you BOOM this Christmas [Page 4](#)

Take the pressure off and retain your profit levels this Christmas by managing two essential areas of your business.....by *Paul Henshall, Action International*



SYSTEMS - Simple = BOOM, Sloppy = BURST [Page 5](#)

Look at your business through a magnifying glass and get your systems organised for the Festive rush.....by *Clare Fountain, Sorted Business Administration Services*



'Twas the Night Before Christmas [Page 6](#)

An important message about protecting a valuable business asset – your databy *Julie Misson, Simply Access*



"Boom or Burst" [Page 7](#)

A key to small business survival is creating a boom culture for you and your teamby *John Brewin, Workforce Extensions*



IT Systems Checks..... [Page 8](#)

Preparing your IT infrastructure and procedures for an increase in demand – plan for boom and prevent the burst.....by *Joe Ciancio, Maxsum Solutions*

Events Listing [Page 9](#)

***For more information on contributing to the Brains of Business Newsletter
or to list your events, call 1300 667 554.***

Your feedback is valuable. Please click here to register your thoughts.

Events Calendar...don't miss out!



WHAT WE OFFER:

- A wide range of finance options
- Home loans, re-finance, debt consolidation & first home buyers
- Business, Commercial, Development & equipment leasing finance
- Car loans for private or business use
- We do the shopping around for you

Property Booming???

Property and finance are both subject to cycles which effect values and rates.

There are many schools of thought as to when investors should enter the property market, much is personal risk tolerance but residential property has long been a steady market return. It may be fair to say that it boomed and peaked 18 months ago, my crystal ball is in for service so I cannot comment.

None the less, investors that entered the market 4 – 5 years ago are very pleased they did not wait for “the right time”.

A professional real estate agent’s advice is of value, you should seek a referral from someone who has recently used an agent, or speak to Money Depot as we can refer you to real estate agents that provide quality service and advice.

House and land developers are worth considering, in most cases they give you an entry price to property well below established homes in the market. There are also considerable stamp duty savings to be had in Victoria for construction of a home. For example, consider a \$300,000 established home upon which you will pay \$13,660 stamp duty in Victoria, whereas a \$200,000 house and \$100,000 land package will only incur \$2,200 stamp duty.

Top Tip

To avoid delays with property settlements, it is best to get your finance pre-approved before you start to search for your house or land.

As for interest rates, it’s hard to say where they are at in the cycle, even some economists still get it wrong. Relatively, interest rate rates are still reasonable in Australia compared to rental prices and property growth expectations.

When looking at borrowing to buy an investment property it is vital to factor in your ability to service the loan at an interest rate at least 2 per cent above the current variable rate. As well, you should

allow for periods when you do not have a tenant and ongoing repairs, maintenance and insurance costs.

The other decision on interest rates is whether you should go for a variable or fixed

rate loan. Again, this is a risk tolerance matter, most lenders allow you to split your loan and have part variable and part fixed. Mortgage Brokers are not able to provide financial advice so we suggest you consult a financial planner to determine how investment property fits with your other investment choices.

The other area that can assist cash flow to fund an investment property is to utilise the tax deductions available from a quantity survey depreciation schedule. This service is available in Bendigo via DEPPRO Depreciation specialists, refer to your accountant for more advice on this.

Money Depot

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Bendigo 3550

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Patrick Falconer or Steve Fuller

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Email: bendigo@moneydepot.com.au



Christmas - Boom or Burst

WHAT WE OFFER:

- Business Taxation Returns
- Ensuring you understand the financial position of your business
- Strategic Review of business structures & systems
- Budgeting & business planning
- Review & feasibility of new business acquisitions & start-ups

Christmas is a great time to reflect on the year gone, the family has grown and more water has flowed under the bridge. Christmas also provides us with a great opportunity to analyse how, or even if, our business has prospered during the year. Are we in a 'boom' cycle or are we heading down the bumpy road of the 'burst' track.

An even greater question is "Do you actually know what track you are on?"

Many business owners don't even do their business the justice of identifying or understanding what stage of the business cycle they are in. Are

you one of the people who only gets an understanding of your status when the Accountant compiles your Tax Return? If so, this is often up to six months after the end of the financial year. The true picture though, is that you are in fact looking at numbers that are up to eighteen months out of date. What does this mean? If the figures are so old and you have problems with diminishing margins or increasing costs, then the horse has bolted and it may even be too late to shut the gate.

Undertaking regular, structured reviews can potentially save a lot of heartache. A review doesn't have to be done by your Accountant, just understand what it is you must look for and do it yourself. Understand what your Key Performance

Indicators (KPIs) are - you could get your industry averages, as well as setting your own goals, and measure performance against these. Your KPIs will give you a quick snapshot of your position and will indicate if you need to delve further to understand how you are performing.

Many people we see have invested great time and money/resources to get their accounting systems computerised, MYOB or QuickBooks, and they don't

even know how to run a basic report. These reports can generate all of your KPIs as well as much more.

The answers to all of your questions are at your finger tips – and, hopefully, no more

than a few weeks old. If you identify an issue with your figures or KPIs, it can be actioned immediately before it turns into something more serious.

If you haven't made the effort to identify if you are in the 'Boom' or the 'Burst' cycle, let this Christmas break be the start of the new you. If you don't know where to start, ask your Accountant for a few pointers to get you started – you may be surprised just how much insight your Accountant actually has on your business. With dedicating as little as an hour or two a month to look at where your business is at, you will increase your chances of being in a position to ride the 'boom' - and maybe take that holiday you have promised your partner for all those years.

Top Tip

Understanding what stage of the business cycle you are in is imperative for planning your future.

Valentini & Murphy

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Here's how to ENSURE you BOOM this Christmas.

WHAT WE OFFER:

- Results based one-to-one business coaching
- Intensive "group" sessions
- 2 day business "boot" camps
- 1 day Workshops in Marketing, Sales, Team Building, & Customer Service
- One off business "boost" sessions for any size business

Does the word Christmas make you go into overload panic? Then follow these simple tips to take the pressure off AND retain your profit levels.

Ensure you've got two things covered as the Christmas 'rush' approaches:

1. Your SYSTEMS are up to the increases in demand.
2. Your PEOPLE can operate those systems effectively.

Successful businesses are run by SYSTEMS and people run those systems. Your job, as the owner, is to ensure both are up to the task.

Systems are your way of ensuring your team do the job just as if you were doing it personally. They simply list the 'way it's done', so it's done that way every time. Systems reduce your hours and stress by getting average people to do a great job every time. Here's four 'Tricks of the Trade' for creating systems.

1. *Make sure your team members know the positions they play.*

Unfortunately, it is common for team members to disagree on what needs to be done, whilst also believing everyone knows their job role. Clear written and agreed roles will remove the need for 75 per cent of systems. So start here.

2. *Only write systems that make money (or reduce a big risk).*

You're not in the business of creating manuals so only create a system if it simplifies a task, improves quality, or speeds up a service. Forget the corporate experience of many volumes that gather dust. The trick is to start small and let it grow over time.

3. *Work until it becomes simple.*

If the systems are too complex they won't work! When you really understand something, and present it well, it will become simple. Here are a few ideas for presenting your systems that will make

them effective and easy to use: Tear-off Pads; Laminated Cards; Job or Quote Pads; Position Contracts; Standard Letters; Meeting Minutes; Quick Contact Lists; Procedure Manual using photographs or videos; as well as Wall Signs and Instruction Labels.

4. *Make sure your precious systems are being used.*

Build monitors into your systems so that at a glance you can see if they are being used. And, once systems have been created they need to be maintained; your monitoring systems will do this for you.

So, get going on these things NOW and you're guaranteed to have a VERY merry Christmas indeed!

Top Tip

Remember that SYSTEMS run your business and your PEOPLE run your systems. Your job is to ensure both are up to the task.



WHAT WE OFFER:

- *Systems that work*
- *Clear team responsibilities*
- *Time & Task Management Mastered*
- *No fuss 'How To' manuals*
- *More time, money & headspace created*

SYSTEMS - Simple = BOOM, Sloppy = BURST

Being organised in the lead-up to the 'silly season' is essential if you want to Boom and not Burst. For many businesses, December acts as a magnifying glass and highlights the cracks that might otherwise be hidden.

If you are the only person in the business that knows what to do then there is a danger you will be stretched in all directions. If your work space is too small or poorly laid out with unclear systems, the Christmas rush might see some of your valued clients go to your competitors.

Sales will be lost if you run out of stock, but money wasted if you don't sell out of seasonal items. If you are a service-based business you may have no work for two months or be busy beyond capacity.

School holidays can be a blessing or a curse as you might have your experienced employees replaced by less experienced casual staff.

Every business is different so NOW I invite you to consider the 'cracks' in your business.....what works and doesn't work in December. Write a list – ask your team what they think – speak to those that were around at the end of last year.

Here is a general checklist that will help you to plan:

Top Tip

'Burst' will happen on its own – 'Boom' needs organising, so get on with it NOW!

Team Training – Make sure they know what they are doing by providing clear and effective instructions (e.g. simple check lists for them to follow). Set up rosters to cover holidays and arrange backup staff for the busy times.

Operating Hours – What will your hours of operation be? Have you communicated your opening and closing hours to your key clients and suppliers? What are the costs involved with being

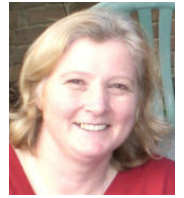
open for longer – have they been budgeted?

Celebrations – Book the cleaner to come in very early after any office-based parties. Get the invitations out early and chase up the RSVP's in case the

invite was lost in Christmas cards. Call and re-confirm your key clients/suppliers are coming.

December is a wonderful opportunity to communicate with your clients and celebrate the year that was, and the coming year. Organise a message or a gift that will stand out from the rest – don't leave it to the last minute - if you haven't already done so, plan it now.

Finally, make sure you learn from this year's experiences so you can improve next year. Start a document, 'How to make December 2007 Boom' and add to it throughout the month and when you return in the New Year.



WHAT WE OFFER:

- Individual database development
- Microsoft Access problem solving
- Data management
- Client management systems
- Microsoft Access training

'Twas the Night Before Christmas

'Twas the night before Christmas, when all through the house, only mamma was working, with her wireless mouse.

The stockings were hung by the chimney with care, in hopes that St. Nicholas soon would be there.

Your staff were nestled all snug in their beds, while visions of databases danced in their heads;

When mamma and her computer became all stressed out, as she realised all data was lost due to a black out.

She jumped from the desk and made such a clatter, that I sprang from the bed to see what was the matter.

Away to the office I flew like a flash, I knew in a moment our backup had been slap-dash.

I glanced out the window at the new-fallen snow, who was going to help me fix my problem, then bravo.

Right before my wondering eyes what should appear, but a miniature sleigh, and eight tiny reindeer.

With a little old driver, so lively and quick, I knew in a moment it must be St. Nick.

And then, in a twinkling, I heard on the roof, the prancing and pawing of each little hoof.

Top Tip

When was the last time you backed up your data?

As I drew in my hand and was turning around, down the chimney St. Nicholas came with a bound.

He was dressed all in fur, from his head to his foot, and his clothes were all tarnished with ashes and soot.

A bundle of discs he had flung on his back, and he looked like a peddler just opening his pack.

He had a broad face and a little round belly, that shook when he laughed, like a bowlful of jelly.

He was chubby and plump, a right jolly old elf, and I laughed when I saw him, in spite of myself.

A wink of his eye and a twist of his head, soon gave me to know I had nothing to dread.

He spoke not a word, but went straight to his work, and loaded the disc, then turned with a jerk.

And laying his finger aside of his nose, and giving a me advice on regularly backing up Windows.

He sprang to his sleigh, to his team gave a whistle, I had learnt my lesson, backup regularly and do it on schedule.

And I heard him exclaim, 'ere he drove out of sight

"If you don't backup you will burst, not boom, and your business will be GOODNIGHT."



“Boom or Burst”

WHAT WE OFFER:

- Short-term or long-term labour hire
- Permanent Recruitment
- Contract Recruitment
- Complete payroll/Human Resource service for your business
- Industry training through JobSkills training

Sink or swim. Change or die. Attack is the best form of defence. *Boom or Burst!*

Today, and more than ever, companies must be on their toes and ever alert in a rapidly changing business environment. No time to rest on your laurels. If you don't move forward you run the risk of going backwards; no chance to catch your breath.

It is becoming increasingly difficult to survive as a small business, out there on your own..

How do you keep up and keep ahead of the pack (i.e. your competitors)?

Companies need to create a culture of learning, development, excellence and innovation to indeed survive in a fast changing business environment. Businesses must constantly be on the lookout and prospecting for new opportunities. Perhaps you need to look for that niche in the marketplace, or come up with new solutions for your customers' problems that will give you that edge over your competitors.

You must continually search for new ways to do things, re-invent yourself and create more efficient systems in your operations so that you can provide superior customer service.

Like us, you too can achieve fantastic growth in your business. However, you

must continue to grow to keep up. It's *Boom or Burst!*

How do you achieve this on your own? You don't have to. Businesses need lots of friends, associates, strategic partners, consultants and mentors. This creates a network of business partners who advise, help and refer business leads. In fact, we are part of a franchise network with ten offices in Victoria and a growing number in other states. Our company intends on

having fifty franchises within the next two to three years. It's *Boom or Burst.*

Most importantly, we have lots of customers. For the second year in a row, at our franchise annual conference,

Workforce Extensions Central Victoria won the award for the most new clients in a year. That's all very well, but the secret to sustained growth is not just winning new clients, but looking after them once you've got them and keeping them, then going out and getting more.

The key to growing a vibrant business is strong, confident leadership, a great team willing to learn and develop together and a positive attitude all round. It's *Boom or Burst.*

Top Tip

Go outside your business and look at it from your customers' point of view. You might be surprised by what you discover!



IT Systems checks for Christmas...

WHAT WE OFFER:

- *I.T. Consulting*
- *Voice Over IP phone systems*
- *Computer system administration*
- *Computer networking*
- *Document management systems*

In the lead-up to the Christmas and New Year period, many businesses enjoy an increase in trade – a result of clients wanting their products or services delivered before the end of the year. With this increase in trade, many businesses also place increased load on their IT systems. Therefore it is important to ensure that the correct IT infrastructure and procedures are in place to cope with this increased demand.

At this time of year, businesses should review their hardware processing power, ensuring that it is adequate to effectively run required software systems. Making sure that computers have sufficient storage capacity, as well as the latest software updates, is also a must.

An aspect of IT systems that is often overlooked is data backup. Should a catastrophic computer failure occur, the timely restoration of data is required in order to keep your business running with a minimum of disruption. Software should be configured to automatically report on backup status on a daily basis. All backup media should be stored off-site to ensure that the risk of physically losing data (due to theft, fire or media failure) is minimised. Backups should also be verified for integrity and restored for testing on a regular basis.

Top Tip

Minimise SPAM using the "Junk E-mail" feature of Outlook. Right-click on unwanted SPAM e-mail then select "Junk E-mail > Add Sender to Blocked List".

Anti-malware (anti-virus, anti-spyware, anti-phishing, etc.) software for your IT systems should be carefully planned and implemented. In most cases, businesses implement anti-virus software on individual computers in a stand-alone configuration. This increases management complexity, maintenance costs, and traffic over the network (since each computer downloads the same update files multiple times). A more effective method is to implement anti-malware software that is centrally administered. This configuration reduces the amount of network traffic, updates are downloaded only once. Maintenance costs are also greatly reduced.

Some simple tasks can also be undertaken to implement a high level of security at times when casual or temporary staff are required to use your IT systems due to increased work-load in the business. Setting strong passwords and changing them on a regular basis is imperative. This will ensure that the risk of unauthorised access to important company information is minimised.

We have touched on just a few of the many important aspects involving your IT systems. All need to be considered, using a strategic approach, to ensure that all runs reliably and efficiently, especially when gearing up for the busiest time of the year!

EVENTS LISTING

Date & Time	Who	Event Details	Location/ Duration	Cost	Booking & Information
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Nov - Feb

	SOS	MS Excel	9 x 1hr weekly		Ph 5444 0400 or email Adam for a calendar at: adam@soss.com.au
	SOS	MS Word	4 x 1hr weekly		
	SOS	MS Outlook - Email	2 x 1hr weekly		
	SOS	MS PowerPoint	2 x 1hr Weekly		
	SOS	MS Project	Full day monthly		
	SOS	MYOB, incl. Payroll	Twice monthly		
	SOS	MS Access	Full day monthly		
	SOS	QuickBooks, incl. Payroll	Twice monthly		
	SOS	Attache Accounts, incl. Payroll	Twice monthly		

December

8th AM	Clare Fountain - Sorted Business Admin. Serv.	Find Your Desk Under the Mess	473 Hargreaves St	\$110.00	1300 667 554
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January

19th AM	Clare Fountain - Sorted Business Admin. Serv.	Find Your Desk Under the Mess	473 Hargreaves St	\$110.00	1300 667 554
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Febuary

9th AM	Clare Fountain - Sorted Business Admin. Serv.	Find Your Desk Under the Mess	473 Hargreaves St	\$110.00	1300 667 554
6th 9am-1pm	cvYep!	Time Management & Delegation Skills	The Foundry Bendigo	\$30	cvyep@directincite.com

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***Do you have an event to list? Would you like to advertise here?
Call 1300 667 554 for details.***