

Happy New Year! Business conditions still tricky

With Christmas just behind us, businesses should be more buoyant than what most appear to be at present. Conditions are still very tricky for most, as we briefly review 2014:

- No Federal elections – elections normally affect business confidence so we cannot blame elections for the current conditions. However conditions in the Senate have definitely contributed to a lot of the uncertainty.
- Trouble in Ukraine – whilst intervention by the Federal government was necessary, it diverted their attention from the economy.
- The recent mid-term elections in the USA have virtually made President Obama a 'lame duck' President for the remaining two years of his presidency – not good for confidence!
- The building boom in the Australian mining industry is [over](#).
- Commodity prices, particularly for iron ore, have dropped – leading to some uncertainty.
- There has been moderate growth in the economy.
- A lot of 'slippage' in the currency – this is great news for exporters and the tourist industry.
- Inflation remains steady at 2% to 3%.
- The Reserve Bank held interest rates at 2.5% for the entire year.
- The 'cheap money' available contributed to large investments in housing and shares.
- Unemployment rates are higher – significantly higher in some areas.
- The government needs to find a way to deal with the Senate so the budget can be dealt with.
- Some businesses have lost money and assets through ignorance of the Personal Property Securities Act (PPSA) and the Personal Property Securities Register ([PPSR](#)).



There isn't a lot you can do with any of the issues we've discussed. All [businesses need to plan](#) as best you can. And now is the time for you to be thinking about those plans for your business for 2015.

Conditions are tricky for many business operators however, if you write out a [strategy](#) and then develop a plan, you'll significantly improve your chances of success.

Collins Hume can assist you to develop a plan for 2015. Please don't hesitate to [contact us](#) on 02 6686 3000 for a conversation on strategies to be utilised for the development of an effective plan for your business.

Good luck for your business operations in 2015!

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Why small gains, now, are important

Most business people learn that it's better to target small gains each week and continue to work in a proactive, positive manner to ensure those gains are achieved and retained.

The term 'overnight success' is normally significantly overrated. People who become 'business celebrities' for an invention or a new product they've developed have normally worked for years developing it. They've been very conscious of the need to achieve small gains each week.

The key for a business is to utilise the entire team as part of the business development process and to encourage all personnel to achieve small gains.

An important aspect of successfully implementing improvements is to ensure the right types of people are employed in the first instance and that they're all 'on the bus, seated in the correct seats' so that everyone can contribute to the gains within the business. This should ensure everyone is involved in the development of business processes and products and, therefore, can all share in the ownership and achievements the business obtains. It's important, too, to have open discussions on what's important for the business and what the targets are, so there can be positive outcomes.

Many business owners have found benefit in issuing a designated notebook to all team members, asking them to jot down any thoughts or ideas they have which can be explored each Friday afternoon, to review what the team members have noted. The objective is for the team to then take notice of those ideas, to prioritise and try to implement any that have been suggested. If an idea has potential, the priority should be to introduce and measure its performance, to determine whether it should become part of the firm's overall culture.

However it's important to remember that, if the idea, product or process doesn't work, it needs to be terminated at the earliest opportunity. The key strategy the business should be encouraging is for the team to think about ways of improving the business operations, to write them down, to bring them to meetings and discuss them, where the assembled group will decide whether to trial the idea and measure it's successful (or not). It doesn't matter if it's a failure; it's better to have tried than not to have tried at all. Obviously, not every idea will be a raging success.

Encouraging new ideas is vital for your long-term business success.

Motivate your team to think of and develop ideas, and then let them try to implement them within a budgeted framework. Don't micromanage the process; it's better to let your team have a go at trying to make ideas work. Rather, encourage the taking of calculated risks if new products, processes or services are going to be developed.

Always consider your customers.

What benefits would your customers derive by your developing new products, processes or services? What changes will be made to operations? And will any changes improve your service and customer experience?

Once the process has started, measure every aspect so benchmark comparisons can be made with other products, processes or services being developed by your business or other organisations.

This approach will also assist you in determining the gaps in the market. Normally, new products, processes or services are not an overnight sensation. There needs to be a continual level of work undertaken to achieve the end result. In most cases, if small gains are being achieved each week and all team members are involved, then the business is well on the way to implementing an outstanding offering that all the team can share in the rewards of a job well done.

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Business no longer weighed down by accounting and tax worries

It's easy to think there's a lot going on when you visit the website of Lismore's [Coastal Scales & Registers](#). But once you get talking with owner Steve Dickson, you really get to understand how fast things are actually moving.

As the only *independent* accredited suppliers of weighing equipment from Brisbane to Newcastle and a major supplier of Point Of Sale equipment on the Far North Coast, Steve and his team cover a vast area, sometimes at a moment's notice.

So when his previous accountant's shortcomings escalated into 'please pay' and final demand letters from the ATO, Steve had to change.

"Collins Hume have only been my accountants for 3-4 years, but I had known of [Peter Fowler](#) for a long time," says Steve. "When I read that Peter became one of [CPA Australia's 40 Young Business Leaders](#), that prompted me to take action."

"Peter seemed like a decent bloke who had the [business skills](#) so it all happened from there – I was always going change and was always contemplating Peter for my company and personal tax."

Not long into the relationship, Peter recommended [Xero](#) accounting software to Steve.

"[Xero](#) was the best thing Peter ever said to me," says Steve. "I was never happy with our previous accounting system, which I inherited with the business. Now I do the books singlehandedly and it's a breeze; the bank feeds are beautiful!"

"Collins Hume also sorted out the balance sheet so I have better and quicker access to my accounting information from anywhere."

"Mary, our Office Manager, utilises the notes in [Xero](#) to chase debtors – we communicate on debtor management and how to approach each late payer by sending notes back and forth in Xero so she has the best chance of recovering the debts. It has reduced our debtors big time from \$100k. This on its own has benefited my business."



"Our creditor batch payments get done in next to no time which reduces our bank fees with the one ABA file," says Steve. "Book-keeping is a dream for me – now I'm the one in control and Collins Hume also has access to review our journal entries as we go along."

With 2015 promising to be a big year, Steve needed to get his ducks in order.

"We started [SuperStream](#) from 1 July which sets us up nicely. We are making such a saving now by getting our super payments correct. It's easy linking to the SuperStream clearing house in Xero's payroll module. Paying the right amount of super isn't a drama anymore."

Working with Collins Hume has also allowed Steve to think about the future.

"With the last of the previous owners retiring from the business in 2012, it got me thinking," says Steve. "I didn't want to own the company outright because it put undue pressure on me, so I offered a minor shareholding to one of my experienced employees, Luke Wood, with the intention of him becoming an equal share-holder in three years."

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Luke accepted and the new arrangement kicked in also from 1 July.

"Collins Hume helped me to restructure the company so I didn't lose equity – Peter and I planned everything so I could make a solid offer with a win-win for everyone involved."

"It's a very trying time as the federal government's [National Measurement Institute](#) centralises all Australian weights and measures from state-based systems. We are working on obtaining [accreditation](#) which is just about complete, as well as launching a new product line."

"We are also in the process of redesigning our Lismore showroom and adding 70 per cent extra space to showcase our new [Ohaus](#) product range. We are experiencing growing pains, but we're getting there."

Collins Hume continues to be on hand whenever Steve needs assistance.

"We have enough to do and I want to have trust in someone to handle that," says Steve.

"That's why I find it easy working with Collins Hume – they just get it sorted and make life a lot easier."

"At the end of the day, a massive tax refund is not what it's all about. Any accountant can get the tax outcome you want. I would rather be safe than get a whopping refund as I don't have time for a 2-3 day [tax audit](#) costing thousands of dollars."

"I want to keep it clean and simple and get on with doing business. As long as I don't receive any nasty letters from the tax man, Peter Fowler and Collins Hume are in a job!"

Read more about Coastal Scales & Registers at <http://www.coastalscales.com.au/>.

Characteristics of a well run business – Quality Control

There are significant benefits by developing internal control manuals to cover all operations of your business.

This will ensure the standards, agreed to in various discussions when the business was established, are abided by in the future when, undoubtedly, there will be



changes of staff and different personnel rotated to various jobs.

Businesses should be establishing personnel who are responsible for checking that the quality control system is being abided by in all parts of the business operations.

The key question to ask is: *What standards do the customers require and expect the business to be able to perform?*

Your quality control system should then be developed to ensure the same consistent service can be delivered to customers every day of the week, irrespective of the personnel involved in the delivery of those services.

If you would like any assistance in establishing a quality control system for your business, please don't hesitate to contact Collins Hume on 02 6686 3000.

Related topic [Showing your employees enough love?](#)

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Meet Executive Assistant Kylie Fletcher

When you first talk with Kylie Fletcher, she initially dismisses her role as 'doing everything for [Ian Wunsch](#) and [Peter Fowler](#) to keep them organised'.

Dig a little deeper and you soon realise that also extends to how professionally and adeptly she organises Collins Hume's client as well.

Before joining Collins Hume in 2013, Kylie gained commercial experience in the travel industry and government experience for agencies in rural Queensland and Western Australia. She was working for a firm of accountants in Lismore when she decided to change up employers.

Inevitably, Kylie brings polish and insight when handling the ATO for all manner of client tax queries.

"I could be considered a Jill of all trades when talking about the client issues I deal with," says Kylie. "But the best thing is moving clients' matters forward one step at a time and getting answers. Our clients are usually very positive and appreciative of our input."

Kylie also looks after all ASIC matters as part of Collins Hume's Client Compliance Program. She's continually updating clients and preparing company statements for ASIC's requirements.

And Christmas and New Year provided little respite as Kylie readies clients for the 15 May tax lodgement deadline.

"We really make a huge effort to remind our clients of the deadline and urge them to send in their tax information sooner rather than later. The push has to start from January to give people enough time and to make the most of their tax planning this coming financial year-end."

2015 will be extra busy for Kylie as she embarks on formal study. Distance education Frontline Management Training is on the cards. It means her dream of getting back into her furniture restoring hobby might have to be shelved a little longer.

"It was something I really enjoyed doing when the kids were younger," says Kylie. "I loved finding pieces at garage sales and doing them up into beautiful, colourful items for our home."



If you'd like to organise your tax matters with respect to the 15 May tax lodgement deadline a little earlier this year, please call Kylie on 02 6686 3000 so she can get you booked into Ian's or Peter's diaries.

Collins Hume passes 1M positive giving impacts!

Since joining [B1G1](#) in 2011 Collins Hume has had a direct impact on 1,064,078 peoples lives around the world.

"You and the team are stunning. The differences you make through B1G1: Business for Good are simply amazing and impactful," said B1G1 Co-Founder and Chairman Paul Dunn. "We are so thrilled to be sharing this journey with you."

"It's truly an astonishing feat. Let the team know, please, that we are very proud of them!"

[Click here](#) to read our latest giving update.

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