

Learn not only how not to pay tax, but get tax back from the government

At Collins Hume's Super Smart free seminar on 27 November

Don't miss best-selling author, Grant Abbott, discussing the vital topic of negative tax as well as his Top 10 Strategies for maximising the value of your SMSF at **Collins Hume's Super Smart Seminar** on 27 November in Ballina.

Grant Abbott is Australia's leading SMSF advisor, author and presenter. Specialising in the SMSF industry since 1994, he has four best-selling SMSF books and consults to most major and boutique finance houses in Australia.

By special arrangement and exclusively for guests of Collins Hume, Grant will discuss his Top 10 Strategies and show you ways to implement these strategies to best suit your situation.

A taste of some of the strategies Grant will be discussing include:

- National Rental Affordability Scheme Property Purchase
- Auto Reversionary Pensions
- Insurance and Centrelink
- SMSF Farm and Business Planning

Collins Hume's Super Smart seminar is designed to provide a broad overview of SMSFs and the strategies that can be implemented through an SMSF – already growing in interest with people who want to galvanise their wealth planning now to optimise retirement.

To RSVP, simply email Wendy at wendy.gleeson@collinshume.com.au confirming the names of each attendee for registration, printing and catering purposes. Please phone us on 02 6686 3000 if you have any queries or wish to discuss the seminar further.

All attendees who schedule a free 30-minute Estate Planning / Superannuation consultation with Collins Hume on the night go into the draw to either **win a Galaxy tab 10.1 or iPad** (your choice).

Whilst an initially complex area, we can make it simple, flexible, show you how to achieve tax savings and, most importantly, provide you with control.

This is a must see for anyone with an SMSF or considering establishing an SMSF. RSVP today to secure your complimentary seat.

Event details

- **WHEN:** Tuesday 27 Nov 2012
- **TIME:** 5.30PM to 7PM (doors open from 5.00PM)
- **WHERE:** Ballina Beach Resort, Compton Drive, Lighthouse Beach, East Ballina, NSW 2478
- **FEE:** Free to attend (refreshments provided)
- **RSVP:** Ph 02 6686 3000 or email wendy.gleeson@collinshume.com.au



About the speaker

Grant Abbott is Australia's leading SMSF expert, trainer and presenter. Since the introduction of SMSFs in 1994 Grant has presented on the subject to more than 80,000 accountants, trained 500 accountants to become specialist SMSF advisers and written four sold out editions of "The SMSF Strategy Guide" and is currently on his fifth.

Grant has a Master of Laws and established the SMSF Professionals Association of Australia in 2002 and the Australian SMSF Members Association, and was involved in writing the competency standards for specialist SMSF professionals.

Our roast to one of Ballina's top bean businesses!

In the wake of the BCCI and Northern Star business excellence awards, we speak with The Bean Bank about their own journey

Three years ago, partners Effie Vouris and Glenn Anthony started The Bean Bank in Ballina. Effie spearheads their fully fresh, sustainable menu and cooks every dish with love; Glenn is the front man who recently found his calling for roasting. Both work super hard and their business is now getting the rewards it truly deserves. Collins Hume spoke with Glenn to find out how it all started, including their journey to becoming publicly acclaimed for a second time in the business excellence awards.

Glenn is the first to admit that The Bean Bank was the brainchild of two creative souls who serendipitously stumbled across an empty shop space thinking it might make a nice café. Soon, the day-dreaming turned into number-crunching and, with a little bit of capital and a lot of inspiration, The Bean Bank opened its doors as an incredibly creative, artistic coffee destination. Glenn says, "We knew there was an opportunity to make a better cup of coffee. Leaning on our European heritage and our visual arts experience, the dream became a reality before we knew it!"

Before long The Bean Bank's popularity grew, as did the funds to do more with the business, which is when Glenn took up his vocation as a bean roaster, "We wanted to take our business to the next level so we dramatically improved the quality of the product. With extra training I learnt the skill of roasting and invested in the right equipment. Then we introduced our blend to customers to the extent that it became more popular than the bought-in alternative and soon outsold all other brands!"

Now The Bean Bank is positioned more as a roasting house than a café, and is becoming a wholesaler offering roasting to other cafés, restaurants and large bulk food suppliers. Glenn says, "Part of our success is recognition for doing things well. We now own an industrial-sized roaster yet the high quality is still maintained which has allowed us to develop two product blends called Bean in Love and Loves Bites."

"Our quality ethic pervades everything we do so our customers react positively. We never anticipated our success; we've learnt as we've gone along, but we have always stuck to our guns."

Part of that learning process included managing cash flow and keeping on top of the books. Glenn says, "At one point we realised that some admin tasks were becoming full on. We needed to track the money going out – how were we performing – so were referred to Chris Atkinson at Collins Hume who keeps us operating smoothly. Chris helped take our business to another level by getting us in control to make informed decisions. We get meaningful feedback from Chris's exposure to other businesses to see how we generally compare."

"Many businesses appear to have great models, but poor cash management and lacking business admin skills can turn it into a nightmare. Lucky for us, we learnt early on how to manage our business – Chris helped us put systems into place which have been brilliant. Collins Hume's live BankLink feeds give us real-time information so it's like having an extra accounting resource working away in the background."



"We implemented proper procedures and systems and may have already finessed a model that works and could be replicated if the opportunity arose."

Three years on Effie now works in the business for three days, and on it for two. Glenn works the hours that suit him – he's covered by a dependable team which, he believes, is a good tonic for sanity's sake. Staff training is key to continuing the quality of products and their menu; they hire people who share their passion and who want to be there.

"We've got a business that has potential to grow and optimise opportunities – the recipe is right to build on that. It takes patience to build the core business yet we now have the flexibility to choose what we'd like to do. It's a much better balance."

As 2011 Customer Service category winner *plus* 2012 Food & Beverage category winner the latter, Glenn believes, proves that their philosophy is also a winner, "The awards process made us realise that we're reaching a wider audience than we thought – who could believe we're rated #1 on tripadvisor.com.au? Website reviews are pleasantly surprising and humbling. Our beans are now speaking for us!"

At Collins Hume, we congratulate our clients The Bean Bank on their recent accolade, and look forward to helping Effie and Glenn get every ounce of goodness out of their business for many years to come.

Pricing strategies – got procedures?

What happens when customers stop calling? Do you blame your marketing department, the economy or your competitors, or might the cause of your problems be your pricing strategy?

There is an art and science to getting pricing right. However many businesses see pricing as merely a 'cost recovery' exercise. You are not limited to only charging what you believe the market will bear. To create an effective pricing strategy, communicate the value your business delivers. Some people believe pricing strategies are easily reversible in that, if their price point decreases, they think that they can easily raise prices later. This is a trap and causes many problems.

At present there is a widespread discount philosophy, especially for consumer markets which requires business operators, who are involved in consumer markets, to look at strategies for price optimisation, but also to ensure that the business has a system of 'discount management and containment' and that the business highlights, on an ongoing basis, its 'non-price points of differentiation' such as:

- quality
- pre-sale service
- availability of product
- knowledge of product and services
- well informed staff
- good website
- guarantees
- after market service

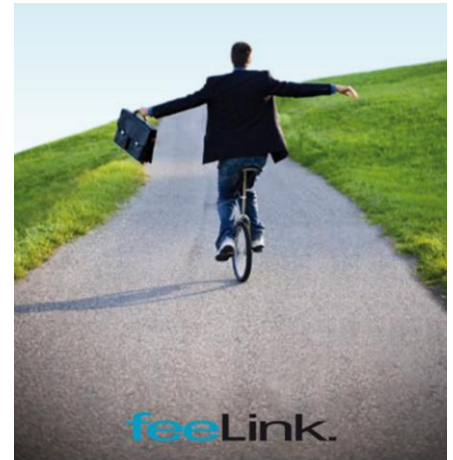
These are the areas that a business can introduce so as to maximise its ability to implement a sound pricing strategy. If you'd like to discuss an effective pricing strategy for your business, please contact us 02 6686 3000.

Risk management

When business planning, provision for risks that might confront your business including areas of vulnerability, such as:

- key management
- quality assurance system
- buildings, plant and equipment
- media planning
- influenza pandemic and natural disasters
- board of directors and shareholders
- insurance coverage
- succession planning
- competitors and suppliers
- intellectual property protection
- compliance with laws

Does your business have a contingency plan for all risk areas that might confront your business? Not sure? Then call us on 02 6686 3000 so we can help you find out.



A smarter way to pay your fees

Astute cash flow management is essential for operating a successful business

In today's competitive environment many businesses prefer to spread their professional fees over the year rather than paying as a single lump sum just like rent or insurance premiums.

feeLink is a monthly payment option available to our clients who prefer to fund their professional fees over a six or twelve month period. A feeLink loan is.

- Sensible – existing cash or credit lines are retained for other needs
- Simple – an agreement and Direct Debit authority are all that is needed
- Stress Free – avoid becoming an overdue debtor
- Smart – the small credit charge is also a deductible business expense

We know that clients using feeLink are quite capable of paying their fee as a lump sum BUT they simply prefer to manage their cash more effectively. Contact us on 02 6686 3000 if you wish to explore this option.

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Engineers, architects, designers, surveyors, town planners and environmental consultants - are any of your staff thinking about leaving?

According to Forbes.com a recent poll of 11,000 employees confirmed more than 50% were somewhat likely or very likely to leave their jobs in your industry in the next 3 months

- Have you recently lost key or think some of your staff are considering leaving?
- Do you have staff retention strategies in place to secure your workforce?
- Do you have the staff you need to complete your current and future projects?
- Are your staff engaged and committed to growing your business?

Low unemployment levels, Gen Y expectations and increasing salary costs are making it harder for business owners to keep control of their business, particularly in the Engineering Services Industry. We understand your industry and have a range of innovative solutions designed to help you get more from your staff, improve your performance and become an employer of choice.

Take action!

1. Read our industry case study at ["Half of your staff are thinking about leaving"](#).
2. Speak to us on 02 6686 3000 and discover how you can become an employer of choice and position your business for growth and success.

New government grants announced

The Australian government has announced some new grants which could be of interest to small / medium enterprise operators

Tourism Industry Regional Development Fund

These grants are available for tourism projects which are located in regions outside the Sydney, Melbourne and Brisbane tourism regions. Grants may be provided for projects which improve the quality of tourism accommodation and tourist attractions in regional areas (other than Sydney, Melbourne & Brisbane). The projects have to be innovative to attract interstate and international visitors. The projects should aim to extend the length of stay by interstate and regional visitors. Grants are available from \$50,000 to \$250,000, on a 50% funding basis, for eligible applicants.

Eligible applicants include a private company, an Aboriginal & Torres Strait Islander Corporation, an incorporated association, local government body corporate, corporate trustee on behalf of a trust, non-profit corporation, regional tourism or economic development corporation.

Call us to help determine your eligibility on 02 6686 3000. Applications close at 5.00pm on 14 December 2012.

Grants continued

Clean Technology Investment Program

This grant provides for projects which generate energy or carbon savings. An applicant must be a company or an incorporated trustee on behalf of a trust or a cooperative. The applicant must be undertaking manufacturing activities in Australia and must have turnover under \$100M.

Grants of up to \$500,000 are available, on a 50% funding basis. Applicants must be able to satisfy merit criteria including:

- demonstrate the extent of reduction in carbon emissions intensity that will be achieved by the proposed project
- demonstrate that they have the capacity and capability to undertake the proposed project
- demonstrate the extent to which the proposed project will maintain and improve the competitiveness of their manufacturing business.

If you're interested in this grant, please contact us on 02 6686 3000.



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The ups and downs of Christmas cash flow come around again all too fast

For retailers, the sooner we're in the spirit the more likely it is that we'll spend on gifts and entertaining.

Christmas has a psychology of its own. The spending that comes with Christmas and gift giving stretches well beyond the dates blocked out in our diaries.

As consumers, the lights, decorations and advertising already in the shops remind us that Christmas comes round too fast.

Thinking about how your own business will manage through this period, remember that your **financial budget** is the money map of the journey your business takes, with your **cash flow plan** being equivalent to a fuel gauge telling you how much cash is at hand. This is important, as not only low profit businesses need to carefully monitor cash. The risk of running out of 'fuel' can be highlighted by an up-to-date cash flow plan.

The keys to effective cash flow management are reducing accounts receivable days, maximising inventory turn and establishing reasonable creditor terms. The technical term for the accumulated days in inventory and receivables less days in payables is known as lock up. For a business with \$1m turnover, every day in lock up is effectively \$2,739 of inaccessible cash flow.

Put another way, working together with us, if you reduce lock up by just ten days you'll free up close to \$30,000 cash. What might that mean to you?

For many, Christmas is a time of slow-down. The longer the Christmas period stretches, the more sluggish sales become in the last quarter of the calendar year. Customers influenced by the slow-down delay decisions or purchases till New Year. So it is important to be vigilant with accounts receivable, inventory and payables knowing that revenue may be slow over the opening months of 2013.

Act now by taking a close look at what you can do to pull sales forward before and during the poorer cash flow months of February and March. Even if the sales don't eventuate this calendar year, some organised, targeted marketing will give you a good base from which to lock in New Year sales.

★ GET US TO DO YOUR CASH FLOW PLAN FOR FREE: Kick start the quality of your business information in 2013! Sign up for quarterly management meetings from Jan 2013, and have the fee of your cash flow component waived! Call Collins Hume on 02 6686 3000 to find out how as we're only making the offer available until 20 December 2012.

The material and contents provided in The Strategist are informative in nature. It is not intended to be advice and you should not act specifically on the basis of this information alone. If expert assistance is required, seek professional advice from Collins Hume.



Ingredients for business success

Planning and ongoing monitoring are key, plus:

- showing genuine interest in your staff and communicating with them
- letting staff and stakeholders know your business plan
- having concern for customers including a formal strategy to inform them of developments in your business
- establishing databases
- having concern for suppliers including open, frank discussions in relation to your customer demographics and preferences, and enlisting their support in the form of extraordinary service
- suitable product selection to sell within your business

Regularly review your plan. When you start in business, you find a difference in your offerings. If you're already in business, take a fresh look to identify that difference today. Have you still got one? Does your team know it? If you haven't already, identify niche markets - small business can't attempt to solve all of a market's problems... it's too big. So concentrate on the niches.

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