

BusinessPlus+ Newsletter



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Issue – October 2016

Customer Surveys

Have you considered conducting a customer survey?

Customer surveys assist in getting feedback from one of the most important stakeholders in your business – your customers.

You can gain feedback in a number of ways. Some very successful business people have specific times available to meet with their customers to listen to their comments and feedback.

A customer survey form could be used to indicate to your clients that you're concerned about the types of services you're supplying. Encourage your customers to complete the form and return it to you so you can understand what your customers/clients think of your products/services. More importantly, this will help to determine whether any changes in your products/services mix are necessary.

The questions that you could ask in a customer survey include:

- Why do you buy products/services from our business?
- How do our products/services compare with competitors?
- Are you adequately informed of what's going on with this business?
- Do you have any comments on the business' marketing strategy, from a customer's point of view?
- What do you feel are the strengths of this business?
- What do you see as the weaknesses of this business?
- What opportunities do you believe exist for this business?
- What threats do you believe exist for this business?
- What would you like for this business to do to improve its customer service?
- Do you get information from the business prior to introducing new products/services?
- In what circumstances would you be prepared to purchase additional products/services from this business?
- Do we give you enough information about our business, products, services, people via:
 - our website?
 - newsletters?
 - brochures?
 - social media?

If you would like assistance in conducting a customer survey, please contact us.

Getting Free Publicity In The Media - Part 1

There are more types of media now than what there ever has been in the past and we now have this concept of the "24/7 media cycle". It's important that businesses tailor messages to suit the media's requirements. In considering a media campaign, the first thing to do is to identify your publicity goal. What news media would you like to run your story? You will need to develop your own "inside media knowledge" of media representatives with whom you need to communicate. You need to gain an understanding of what they want.

Getting Free Publicity In The Media - Part 1 (cont'd....)

Digital media opportunities means working with:

- journalists who report on the news
- bloggers who write on a particular topic
- influencers that are able to impact others by affecting purchase decisions of others because of their perceived authority, knowledge, position or relationship
- trend setters are well-connected (and maybe celebrities) and are experts in their fields. Trend setters usually have a large number of social media followers.

What is publicity? It's not advertising. Publicity is stories or comments about you or your business that's then promoted on television, radio, newspapers, magazines and online.

Online Media

Online media is the way of the future. News.com.au has 3.72M visitors per month. Incidentally, visitors to news.com.au spend an average of one hour and 40 minutes per day on site. The biggest growth area is their articles about money and finance, followed by health and wellbeing.

Online media has an unquenchable thirst for content. This is because of the 24/7 media cycle. Utilising the media cycle is about:

1. Identifying a story about your business or industry.
2. Contacting the media and telling them about your story.
3. Getting your story published or broadcast free of charge.
4. Increasing the awareness of you and your business by improving your profile and carving out your "expert" status.
5. Making a profit from the media coverage that has been generated.

Many small/medium enterprises take the slow path

- They work social media; however this can take a lot of time.
- Networking on a one-by-one basis is slow.
- Utilising business cards can work - but it is slow.
- Some businesses utilise a public relation firm, however this can be very expensive and some journalists may not be impressed by the "spin" from public relation firms.

Publicity for a Profit Generation System

Businesses can do this by creating a Do-It-Yourself (DIY) publicity. Find a great story that affects your business or industry. Create a media release around that story. Remember, that credibility is a very high factor when dealing with the media. Tell them the truth and make initial contact. Give them details of who you are, your business, links to your website, etc, all of which will contribute towards the credibility factor. This way, you're going to be able to position your message to be published, which will significantly contribute to lead generation and sales of your products or services.

Small Business Restructure Rollovers

From 1 July 2016, small businesses or affiliates and connected entities of a small business are now able to undertake genuine restructures of their businesses and change the entities which hold the assets in their businesses. These assets can be moved from legacy structures into one or more new structures and applies to the transfer of active assets in the business that are CGT assets, trading stock, revenue assets and depreciating assets.

The key requirement is that the rollover is only able to be used where the rollover forms part of a genuine restructure and that there must be no change to the ultimate economic ownership of the transferred assets. The ultimate economic owners of an asset are individuals who directly or indirectly own the asset, however where a discretionary trust is involved, additional tests exist. In determining whether a restructure is genuine depends on all the facts surrounding the restructure. The Australian Taxation Office has released a Law Companion Guide 2016/2 SBRR Consequences of a Rollover which sets out six examples and it is highly recommended that these are all viewed before any restructure occurs.

If both these tests are satisfied in that a genuine restructure takes place, no income or capital gains tax implications arise upon the transfer of all the assets and the new entities are deemed to have acquired the assets at the same date and value as the original entity had acquired them for the CGT assets, trading stock, depreciating assets and the revenue assets.

If you would like to discuss potential restructuring within your business, please contact us.

Corporate Governance Risks - Part 1

Corporate governance applies to all businesses, not just companies; therefore it applies to charities, churches, sporting, cultural organisations as well as corporations and businesses.

Some of the key risks that directors, management or committee members need to be ensuring that strategies have been developed for include:

- Quality Assurance - is the product or services being produced in an identical way each time that a customer has contact with the business? Quality assurance is integral to risk management. It is a process that never stops.
- Occupational Health & Safety - every business or organisation has a "duty of care" to a range of stakeholders including employees, customers, suppliers, contractors and members of the public visiting the business or organisation's premises or when employees visit other businesses and organisations' premises. Directors, committee members and management must do everything that is reasonably practical to protect the health and safety of others at the workplace. This is a very significant risk and the persons responsible should ensure that appropriate systems have been in place and that those systems are communicated to all team members and that appropriate ongoing training is being held.
- Compliance - compliance relates to the laws of the land and could cover issues such as:
 - income tax
 - workplace health & safety
 - money laundering
 - WorkCover
 - privacy legislation
 - fair trading
 - environmental legislation

The business' management should prepare detailed lists of the legislation which directly or indirectly affects the business or organisation and they should then ensure that appropriate strategies have been introduced to ensure that the business or organisation complies with those laws and regulations.

Management or Leadership?

Management has been described as being essentially about structures, systems, processes, policies, procedures, finances. and consisting of the interlocking functions of creating corporate policy and organising, planning, controlling and directing an organisation's resources in order to achieve the objectives of that policy.

Leadership on the other hand is fundamentally about creating the environment in which people work willingly together to achieve common goals. Many commentators believe that leadership is best taught and developed within a management context. One way of getting interesting feedback about an individual's leadership skills is to ask those who are being lead what they define as good leadership.

If you would like to discuss with us the development of leadership strategies within your business, please contact us.

Claiming Export Market Development Grant

If you have exported products or services or you have incurred expenditure as part of proposing to export products or services then you could be eligible to claim Export Market Development Grant in respect of the year ended 30th June 2016.

To claim the grant, which is a maximum of \$150,000, on a 50% basis of eligible expenditure, you would have had to expend, at least, \$15,000 on export market development activities. For your first Export Market Development claim, you can combine two years. For example, if you expended \$10,000 in 2014/15 and \$14,000 in 2015/16, a total of \$24,000 could be submitted in your "first export market development grant claim" and you would receive 50% of this - an amount of \$12,000. In future years you would have to incur, at least, \$15,000 to be able to make a claim.

Eligible expenditure for the Export Market Development Grant is summarised under the following key headings:

- overseas market visits - maximum \$300 per day
- overseas representative expenditure (acting on your behalf on a long term basis to market/promote your products) - maximum claim \$200,000 per annum
- communication, product samples, trade fairs, literature and advertising expenses, marketing consultants - maximum \$50,000 per application
- overseas buyers (bringing overseas buyers to Australia) - maximum \$7,500 per buyer per trip - maximum \$45,000 claim per application.
- promotional literature and advertising, registration and/or insurance of intellectual property.

Claiming Export Market Development Grant (cont'd....)

The deadline for lodgement of Export Market Development Grant applications in respect of the year ended 30th June 2016 is 30th November 2016.

If you would like to receive the detailed checklist for Export Market Development Grant claims, please contact us.

If you would like to have a discussion with us in relation to a potential Export Market Development Grant application, please contact us.

Adverse Action

Every employee has a general protection against adverse action which is discrimination. If an employee challenges an employer under the Fair Work Act due to adverse action, the employer has the responsibility to disprove the claim. This is the reverse of the normal proof that applies in Australia. Adverse action is fairly broad. An example is; an employee has been absent from work for a week because they have been sick. When the employee returned to work the supervisor said to the employee that the business has incurred a lot of problems because the employee hadn't been present and blamed the employee for the problems the business had had. As a consequence, the supervisor had given the employee unattractive jobs to do. Fair Work Australia held that this was an "adverse action".

Bullying and harassment is also a huge problem in Australia. Some commentators have indicated that the cost to the Australian economy for bullying and harassment is around \$13B per annum. Bullying and harassment can also be a health claim issue.

Harassment can be a one-off event whereas bullying can be a repeated event. Employer representative organisations have recommended for many years that employers need policies in place relative to bullying and harassment and these policies need to be up-to-date. The policies also need to be visible so everyone knows about them. In particular the message is very clear - this business will not tolerate bullying and harassment.

Another issue for employers to be concerned about is where an employee goes to a manager and tells him/her about a problem they're having and then says to the manager "I don't want you to do anything about it". The manager has an obligation to investigate and obviously to make sure that senior management is aware of the issue, irrespective of what the complainant said to the manager.

If the manager doesn't investigate and, if need be, take action to rectify the problem, the complainant could make a formal complaint to Fair Work Australia at a later date and make allegations that he/she hasn't been supported by the business. Reasonable management action is not harassment, however managers need to be careful to ensure that any action implemented is appropriately documented.

Thirty-four thousand applications relating to employee complaints were received by Fair Work Australia last year. Twenty-five thousand were treated by the Fair Work Ombudsman. Eight out of ten of the claims were related to bullying. One out of five related to sexual harassment. One out of three related to racism. There is a claim made with Fair Work Australia every 3.84 minutes of a working day.

All of this highlights the necessity for businesses to implement appropriate employment policy and ensure that these policies are implemented on a fair and equitable basis.

An Important Message

While every effort has been made to provide valuable, useful information in this publication, this firm and any related suppliers or associated companies accept no responsibility or any form of liability from reliance upon or use of its contents. Any suggestions should be considered carefully within your own particular circumstances, as they are intended as general information only.

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