

# BusinessPlus+ Newsletter



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## Issue – July 2017

### Why Do a Few Successful Salespeople Outperform Their Peers? \*\*

There are, at this very moment, people at incredibly hot companies like Apple or Google, who aren't making their sales quotas. There are countless salespeople selling "boring industrial equipment" who are crushing their numbers even though you're never heard of their companies or products.

Why do a few highly successful salespeople consistently outperform their peers?

The answer isn't what you might expect. Success in sales isn't "situational". In other words, it isn't based on the product you sell, your customer accounts, or your territory. It doesn't depend on the sales process you use for your company's sales managers.

While it helps to have an excellent product, a sound sales process, fast-growing accounts, new territories to explore and good leaders and managers – this does not answer the question.

Sales success isn't "situational" – it's "individual"! Sales success resides in you! You pick up the phone and call a prospective customer/client with another new idea, even after being rejected a dozen times before. You sit face-to-face with the client and create value. You muster the support needed to ensure the client can capture that value.

Nothing carries as much weight in the sales "equation" as you do!

*(To be continued next month)*

**\*\*Trevor Marchant, Marchant Dallas.**

### Interaction with ATO and Other Government Departments

The benefit of being able to interact directly with the Australian Taxation Office and other government agencies has been extended with the rollout of ABN Connections.

This program is an alternative to AUSkey and allows individuals to use their myGov account to access direct to the Business Portal and other government online business services and even can be used from a mobile device.

The program allows business staff and associates of business staff to use the program if they are listed as an associate in the Australian Business Register on one or multiple ABNs.

This provides individuals with greater flexibility for interaction with government services and provides a single username and password for both personal and business services anywhere and anytime, unlike an AUSkey which can only be used on the computer it's been installed on or from a USB.

This is continual improvement of the digital engagement for the community and the government and is a great benefit for all those who are willing and able to embrace the changes.

## Export Market Development Grant

If your business incurred export marketing activities costing more than \$15,000 in 2016/17, you can lodge an Export Market Development Grant application. The final lodgement date is 30<sup>th</sup> November 2017.

## METS Ignited

METS (Mining Equipment, Technology and Services) is one of the six sectors identified by the Australian government for the creation of "Industry Growth Centres".

METS Ignited is a company that has been formed to coordinate government grant funding to "collaborative businesses" wishing to develop new products and services for the mining, mining equipment, technology and services industries.

Grants range from \$100,000 to \$3,000,000 on a 50% grant basis for the "collaborative group".

If you operate in the METS industry and you are interested in investigating the joint venture opportunities please contact us.

## Personal Property Securities Register – Very Costly Mistake!

The Supreme Court of New South Wales has handed down a judgement which has highlighted the necessity for businesses to be very careful in registering security interests on the Personal Property Securities Register.

The company involved inserted the company's Australian Business Number (ABN) rather than its Australian Company Number (ACN) to identify the grantor in the financing statement.

The Court rejected various arguments relative to the use of the ABN when the legislation specified that the registration required the ACN.

The Personal Property Securities Register is a very important register that directors/management should be ensuring their businesses have correctly set up processes to ensure that registrations are being prepared and lodged in accordance with the legislation.

If you would like a review undertaken on your business' systems relative to the Personal Property Securities Register, please contact us.

## Insurance Review

It's a good idea to conduct an annual insurance review to determine the adequacy of insurance covers. Items to consider include:

- Key Person Insurance Policies – is the policy still for an appropriate sum of money? Sometimes we overlook that the policy might have been taken out five or six years ago. Is the cover still for an appropriate amount?
- Buy/Sell Agreements – is the value of the business now at such a level that the cover is nowhere near enough in the event of an accident or major illness which could incapacitate one of the partners or shareholders in a business? Should the sum be reviewed, if possible?
- Consequential Loss of Profits Insurance – have you read the fine print of your insurance cover? What is included in the "fixed expenses"? How long is the "indemnity period" for? If you had a major claim under this policy, is the amount included in the "fixed expenses" going to be sufficient? Will the time for the "indemnity period" be enough to rebuild the business premises?

If you would like to have a conversation with us about your insurance policies, please contact us.

## Succession Planning

Succession planning is not something that should only be thought about when the owner or managing director is thinking about retiring; it's an ongoing process throughout the entire business. Some of the key matters for consideration in the preparation of a succession plan include:

- List of the secrets of the business, buy-sell agreements, insurance covers, wills, are the executors still appropriate?
- Bankers and suppliers' reaction if the key person was no longer available?
- Training of family members so they understand the responsibilities of being a company director.
- Creation of a family charter or constitution.
- Family Council and council meetings.
- Consideration of any agreements that terminate in the event of a key person's death.
- Identification of any special arrangements relative to business suppliers and customers.
- Lease of premises etc.

If you would like to have a discussion with us about the development of a succession strategy for your business, please contact us.

## Reduce the Risks Associated with Manual Handling\*\*

Manual handling is a common cause of injury within workplaces and, as an employer, it is your responsibility to decrease any potential risk to your employees.

Manual handling includes any activities where force is required to push, pull, lift, lower, carry or otherwise move a load. When people incorrectly engage in manual handling, they put themselves at risk of lower back pain, neck pain, problems with shoulders and arms, including forearms, elbows, wrists, hands and fingers. These problems can result from repeatedly lifting a heavy or unbalanced load, or can occur as a once off.

As an employer, you have a duty to reduce manual handling where ever possible, or at least lower the risks associated with manual handling.

Introducing mechanical aids or making small changes to work processes or procedures can go a long way to minimising the risks. Training, whether in manual handling techniques, or in the correct use of mechanical aids, is another important step.

If you require assistance in the implementation of an appropriate training program, please contact a workplace health and safety consultant.

\*\* *Employsure*

## Board of Advice/Board of Directors

If you are wanting to grow your business an important step is to form a Board of Advice or a Board of Directors.

The benefit you will get will be that you will have the benefit of being able to gain input from other experienced business people on issues and problems that are confronting you, because most businesses encounter similar problems.

Around 80 to 90% of business problems generally apply to other businesses as well as the problems that you are experiencing.

The formation of a board can also play a significant part in assisting you and your colleagues with a better understanding of corporate governance and director's duties.

If you are interested in finding out some additional information relative to the formation of a Board of Advice or a Board of Directors please contact us for a discussion.

## Crowd-Sourced Funding Starts Soon!

Crowd-Sourced Funding Equity Raising commences on 29 September 2017.

Crowd-Sourced Funding is available to a company which meets the following criteria:

- group turnover under \$25,000,000
- group asset value under \$25,000,000
- the company is not listed on a stock exchange anywhere in the world

If you meet these criteria then irrespective of the age of your company or the type of business that you are operating you could commence the process to determine whether you could become a crowd sourced funding company.

Why would you do this?

If you have loans especially from family, friends and others or second mortgages on properties, raising equity capital might be a way of paying out the loans and saving the company a substantial amount of interest payments each year. There are no principal repayments if the loans have been replaced by shareholder equity.

Another reason for raising capital would be if you are planning a significant expansion of your business and you are worried about where the money is going to come from to undertake that expansion. Raising equity capital is one way of doing that.

Raising equity capital for small/medium enterprises has been extremely difficult in the past (capital could be raised under section 708 of the Companies Act but this was limited to 20 investors investing a maximum of \$2,000,000). The new legislation enables small/medium enterprises to be able to establish and expand their businesses without having to put the key shareholders at considerable risk in borrowing money to finance the business expansion.

If you are interested in having a discussion with us in relation to the potential for your company to become a Crowd-Sourced Funding Company, please contact us.

## \$11.2 Million in Latest Entrepreneur's Program Grants

The Australian government has announced 24 grants aggregating \$11.2 million under the entrepreneur's program. The grants were for a range of products, processes and services including:

- Software enabling blind and vision impaired people to interact with websites and access web-based business and government services.
- Pipe fitting technology that does not require welding or swaging, reducing down-time for businesses in the oil and gas, marine, food and agriculture industries.
- An effervescent medical food drink for medically supervised use to manage early memory loss and Alzheimer's dementia.
- A 3D cell tower visualisation and analysis service for the wireless telecommunications industry that reduces costs, improves safety and maximises tower use.
- A cloud-enabled, wirelessly charged customer location system for the hospitality sector that saves businesses time and money and improves customer experience.
- Intelligent, adaptive software for controlling extra-long heavy haul trains that optimises train performance, improves safety and minimises costs.
- A website security program that protects against automated attacks and offers greater cost effectiveness, higher security and simpler implementation for businesses.
- An organic waste management solution that produces cost-competitive biological fertiliser for agricultural markets.
- Sustainable aquaculture techniques that allow fish farming with a smaller footprint and better filtration.

If you are interested in making an application for a government grant please contact us.

## Make Your Products/Services More Attractive

The real economic growth in the Australian economy for the decade since 2007 was 2.4%. This was one third lower than the performance in the previous decade which was 3.7%.

Growth in the Australian economy has fallen below real economic growth in many other advanced countries.

Businesses need to be more conscious of the need for innovation to develop new products and services. Without innovation, businesses need to gear up for continual slow growth. The expectation now is that, whilst interest rate rises are still probable, rate rises will probably not happen during 2017.

What does all this mean to your business?

Your action plan for 2017/18 should probably centre in "making your products/services progressively more attractive – by embarking on innovation".

Be aware of government grants that can assist you in this process and be aware of the greater opportunities to raise capital to expand your business by undertaking innovative projects through Crowd-Sourced Funding Equity Raising which commences on 29th September 2017 and Early Stage Innovation Companies Capital Raising.

If you would like to talk to us about developing your plans for this new financial year, please do not hesitate to contact us.

### 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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