

# BusinessPlus+ Newsletter



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## Issue – August 2017

### Why Do A Few Successful Salespeople Outperform Their Peers \*\*\*

*(Continued from last month)*

What's the secret to being a successful salesperson? It's not the product or service you sell. It's not your competition, the market environment, your price structure, evolving technology, or any such thing.

It's YOU.

Your ability to manage yourself, to exert self-discipline, spells the difference between success and failure in sales. Let me rephrase that. Self-discipline is the difference between success and failure.

Yes, there are a lot of other components of the salesperson's mind-set, skill set and tool set, but without strong self-discipline, nothing else matters – you'll never be beyond 'base camp'. Most people don't fail because they can't do something. They fail because they aren't willing to do what it takes to succeed.

This means they aren't willing to discipline themselves. That's why self-discipline (or me-management) is the cornerstone element of sales success. Unless you are willing to take the actions that lead to success, in sales or anything else, it will always elude you.

This applies to your health, your wealth, your relationships, your personal growth and your time. Self-discipline enables you to take action even when you don't want to or don't feel like it. It makes it possible for you to focus your time and energy on what must be done now, without procrastination. It gives you the strength to pass up a little pleasure now in exchange for what you really want later. In sales, I have no doubts; self-discipline is what separates the great from the mediocre. Selling is about making commitments and the most important commitment you can make is the one to yourself.

*To be continued next month.*

\*\*\* Trevor Marchant, Marchant Dallas

### Guide To The Current Rules For Drivers Using A Mobile Phone ▲▲▲

Regardless of who owns the phone or the vehicle, if your employees use mobile phones for work communication, then you need a strong, up-to-date policy banning electronic device use while driving. Vehicle accidents are the leading cause of work fatalities and employees who use mobile phones for work while driving pose serious risks to themselves, the public and your business, as their employer. The guide to mobile phone use could be shared with your team as a reminder of their obligations while driving during work hours.

While driving or riding you CAN use your mobile phone:	
<input checked="" type="checkbox"/> To make or answer a call	
<input checked="" type="checkbox"/> To use the audio playing function (e.g. music)	
<input checked="" type="checkbox"/> As a driver's aid (e.g. navigation, speed adviser app)	Only if the phone is in a cradle fixed to the vehicle and doesn't obscure your view of the road

While driving or riding you CANNOT use your mobile phone for anything else, including:	
<input checked="" type="checkbox"/> Texting or audio texting	
<input checked="" type="checkbox"/> Emailing	
<input checked="" type="checkbox"/> Using social media	
<input checked="" type="checkbox"/> Taking photos	
<input checked="" type="checkbox"/> Video messaging	
<input checked="" type="checkbox"/> Holding your phone in any way (in hand, on lap, between shoulder and ear). Drivers are only allowed to hold a phone to pass it to a passenger.	

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## 2017 Tax Changes

As part of the 2017 improvements to the personal income tax system, the Australian Taxation Office is now providing more information on the client prefills. The ATO are pre-warning via the prefill downloaded by the accounting firm, if the taxpayer is a person the ATO consider are claiming deductions outside the norm and the ATO is advising in advance that this taxpayer is liable to be reviewed in future periods, if claims continue in the same fashion.

This improvement is an immediate change and improvement to the system in that the ATO is targeting taxpayers in certain industries and certain areas about the size of any work-related expenses they are claiming and also lists the various work-related expenses that the ATO considers to be outside the norm.

This new policy is proving more effective in practice when an accountant is meeting with a client who has work related claims as it allows for a discussion of the requirements and the documents required to substantiate a claim for a personal income tax return and enables the preparation of a file note which will be beneficial in the case of a review happening.

If you have any questions on claiming expenses, please contact us.

## Export Market Development Grant

The Export Market Development Grant assists exporters by partly reimbursing expenditure that is being spent on developing export markets.

The grant is administered by Austrade.

Any entity can claim the grant if eligible expenditure, more than \$15,000, has been spent and the applicant is an Australian resident with turnover under \$50 million per annum. The key expense categories for the grant are:

- overseas representation
- marketing consultants
- overseas market visits
- communication costs
- product samples (free)
- trade fairs – seminars and in-store promotions
- promotional material
- bringing overseas buyers to Australia
- registration and insurance of eligible intellectual property

The maximum grant is \$150,000. There are individual sub-limits within the various categories.

If you are currently exporting or are planning to commence exporting and you believe that you have spent more than \$15,000 on these type of items, please contact us for a discussion relative to your eligibility to apply for an Export Market Development Grant.

Grant applications must be lodged by 30<sup>th</sup> November 2017.

## Digital Marketing Can Help Build Goodwill!

A key marketing strategy is to communicate regularly with your customers. To effectively do this you will need to collect customer details and record them in a database. Creating these types of records can contribute to the value of the business' goodwill. You will need to introduce appropriate systems to capture customer data on a reliable basis. For businesses that do this successfully, they will create value for their business. Capturing the customer/interested person/prospect data will contribute to building the goodwill value of the business.

Once you have established the initial customer/interested person/prospect record it's a good idea to continue to build the profile of these persons including birthdays, product purchases, response to marketing campaigns etc.

The three key outcomes that businesses should be working towards for “digital marketing success” are:

- Reach
- Engagement
- Conversion

#### Reach:

Outlines the total number of people your message got in front of. For a newspaper, this might be the readership of the newspaper or for a billboard advertising company the number of vehicles that have passed a particular billboard in a day. For digital marketing, the important thing is how many times your ad was shown. Advertising consultants refer to this as the “value of reaching customers” and it is normally described as the cost per thousand or CPM (the M being from Latin for costs per milli).

#### Engagement:

Advertisers measure engagement if your message is reaching the right customers. If the right customers are being reached then there is an expectation that they will respond to your content or advertising. In digital marketing, you can measure the exact number of users that loaded your advertisement or message onto their mobile phone or PC. This typically involves the user clicking on your content or advertising and landing on your website. In social media it also includes commenting, sharing or liking your brand profile. To calculate your engagement simply divide the number of customers that “engaged” with your message by the total number of customers that were reached by the message. The marketing industry indicates that a typical engagement level for an article or advertisement is around 1% to 2% of the total reach.

#### Conversion:

For most business operators, the most important metric is the “actual conversion rate”. A conversion could be an actual sale or it could be a download or someone registering for an event or even sharing content on social media. To calculate your conversion rate, divide the number of people that converted (did something) by those that were reached. Conversion rates vary from business to business. If you’re just starting out with digital marketing it’s a good idea to establish records as to what your conversion rates are each week and strive to improve them by implementing marketing strategies that have shown some results.

#### The Challenge:

For most business people, digital marketing is a whole new area. It’s now well and truly part of the business scene and businesses will need to continue to implement new strategies so that they are performing better than their competitors in this very important marketing area. We started this article by referring to “goodwill”. Each of these activities will contribute to the number of people who are responding to your digital marketing messages and as they become regular followers of your content and purchasers of your products or services they will contribute to the value of goodwill for your business.

## Crowd-Sourced Funding Comparison With Early Stage Innovation Companies

Crowd-Sourced Funding Equity Raising Commences on 29 September 2017. There have been some questions asked about the comparison of Crowd-Sourced Funding Companies with Early Stage Innovation Companies. The following comparison chart will give you an overview of the differences between the two types of corporate entities.

	<u>ESIC</u>	<u>CSF</u>
Maximum expenditure last year	\$1M	No limit
Maximum income last year	\$200K	\$25M
Not listed on a Stock Exchange	√	√
Age of company important	√	Not important
Business activity important	√	Not important
Maximum investment – Retail Investor every 12 months	\$50K	\$10K
Tax Offsets on Investment	20%	N/A
• Retail Investor - maximum	\$10K	N/A
• Sophisticated Investor - maximum	\$200K	N/A
Capital Gains Tax possible exemption	√	N/A
Capital raising limit every 12 months	N/A	√
Amount	N/A	\$5M
Eligibility decision maker	AusIndustry/ATO	Intermediary (Has Australian Financial Services Industry Licence)
Type of company	Pty Ltd	Unlisted Public Company
Auditor appointment first five years	N/A	√ (if raised over \$1M)
Maximum Number of directors	1	3
Formal process for capital raising	N/A	√
Special reporting to ATO	√ (by 31 <sup>st</sup> July)	N/A
Capital raising opportunities	√ (Started July 2016)	√ (from 29.09.17)

If you would like to have a discussion with us relative to either of these entities please do not hesitate to contact us. Next month we will feature a detailed overview of Crowd-Sourced Funding Equity Raising.

## Finding Your Unique Selling Proposition (USP)

Most government departments and large businesses now require suppliers to submit a capability statement to them so that they can peruse it as part of their due diligence review to determine whether they will purchase products or services from that supplier. One of the key components of a capability statement is the business' "Unique Selling Proposition" (USP).

A USP is a short slogan or phrase that clearly articulates your business' competitive advantage, helps differentiate your business from the competition and gives your customers and prospective customers an understanding of the benefits that your business offers to them. To develop a USP you should list up to 10 benefits that your products/services/solutions supply to customers that are unique, valuable or interesting to your customers. Are you the best provider in your market? You should be and you should proudly be able to say so!

Why are you the best provider in your market? Concentrate on the quality and the services that you provide to your customers. Ask your team members and some of your current customers why they deal with your business? What makes you different? How are you better than your competitors? Then it's a good idea to gather samples of all your marketing material including letterheads, envelopes (if you still send letters), marketing brochures, extracts from your website, newsletters and gather from public sources as much similar material that is used by your competitors and then compare your marketing material with that of your competitors. This will help you to identify obvious areas that might need some updates. When you have completed this process, you will be in a great position to write a summary of your unique selling proposition which you can use to promote your business.

## You Need To Register Research And Development Projects With AusIndustry

If you operate your business as a company and in 2016/17 the company undertook research and development projects (irrespective of the number of projects) and your total expenditure, including wages and salaries of team members and management involved in the research and development activities, exceeded \$20,000, then the company could be eligible for a Research and Development Tax Rebate.

The rebate is determined when the company's income tax return is lodged with the Australian Taxation Office.

The rebate is calculated at 43.5% of the eligible research and development expenditure, if the company's turnover is under \$20 million per annum. If the turnover is over \$20 million, the tax rebate is calculated at 38.5% of the eligible research and development expenditure.

However, you cannot claim any of these rebates unless you have first registered your company's research and development projects with AusIndustry. This registration must be completed by 30<sup>th</sup> April 2018, or the date of lodgement of the company's income tax return, whichever is the earlier.

Please ([Click here](#)) to access the Research and Development Registration Forms from AusIndustry.

If you require any assistance with the preparation of your Research and Development Registration Form or any other aspect of claiming research and development expenditure, 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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