

SPRING 14

THE PROFIT IMPROVER



Helping you realise your full profit potential



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- Boosting workplace productivity
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- Raising finance
- And more



Tax agent
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Don't let your size hold you back

Making your business seem like it is bigger than it actually is can go a long way in helping you to secure larger clients.

It will also make customers feel more secure when dealing with you, and can give your voice more authority. Punching above your weight when it comes to making first impressions is easier than you might think, and many of the available strategies are very cost effective.

Put some extra effort into your website

Your website is almost always going to be potential customers' first point of call. The impression that your website makes on them can seriously influence their perception of your company. A website that has a dated design, difficult navigation or poorly written copy will instantly give them the impression that you're a small or amateur company.

It is also recommendable to invest in some SEO assistance. SEO stands for search engine optimisation, and will help you appear near the top of search engine results.

Work on your social media presence

Developing an active and current social media presence can help a business connect with their customers and will assist in making the company appear more prominent and experienced than it may actually be. Social media sites increase the amount of information that can be found on a business, and are usually far more engaging (and cheaper!) than traditional forms of advertising. People assume that businesses with a lot of online material have been there for a long time. If a company has a lot of

'followers', it creates a sense of age and goes a long way in enhancing the image of the brand.

Invest in your promotional materials

Professionally designed business cards with consistent stationery and letterheads will give a business credibility. Printing the details on cheques and envelopes, rather than posting them hand-written, are small and cost-effective options that will also assist in this area.

Get a virtual office

If your business cannot afford a full time receptionist, setting up a virtual office can have the same effect at a much cheaper cost. Having a virtual employee answer phone calls and manage customer service from an outside location means eliminating the costs of actual employment while giving the impression that the business is much bigger than it is.

Turning a vehicle into a company car

To visit clients is often essential for small businesses, and pulling up in a company branded car can give a business respectability and show professionalism. This will also give you the added benefit of getting your brand noticed on the street.

Spreading the word

To get the attention of bigger potential clients, it may be necessary to spread the word on some of the other big-name clients the business has had. Once a business has obtained a few large contracts, using this as leverage to secure other clients will be easy. Business owners should mention these previous jobs in meetings and show the work on their websites.

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Improving your team's skillset

Your staff are the most important asset that your company has, and it is imperative to treat them as such. Investing in training your staff and expanding their skillsets can make huge improvements to your business.



Laying the right foundations

Clearly, the minimum you need to offer staff is the training that will allow them to perform their roles. For example, your administration team will need essential computer skills, and your sales team will need a good understanding of your products and services. There are also certain mandatory requirements, such as health and safety training. But beyond these basics, there are benefits to offering non-essential, or 'added value' training to your staff.

A clear advantage to offering ongoing training is that it can give you a competitive edge. For instance, salespeople who have received ongoing training to enhance their verbal communication, phone manner, writing skills and negotiation approach will be at an advantage over those who are only given product training and a script.

Who should receive what training?

When deciding on the particular training to offer staff, the key is to identify any skill gaps and also skill shortages. Essentially, you can do this by defining what you want your business to achieve, identifying the skills and knowledge required to do so, and then examining where

existing staff fall short of the required expertise. You can do this in a management brainstorming session. There are also a number of online-based skill assessment tools now available at very low cost.

There is also an argument that investing in widespread training can be beneficial for its own sake, turning your business into a learning oriented organisation, where staff are constantly learning new skills across a range of disciplines and applying these to the business.

How much to invest

How much you spend will depend on the type of training you want to offer. Typically, businesses with less than 100 staff spend an average of less than \$600 per employee on training every year. Whilst this may sound like a lot of money, particularly for a small business, it is important to keep in mind that training is one of the most significant factors in retaining staff. Even a modest investment in training may go a long way in increasing employee longevity and reducing the costs of recruiting new staff.

But perhaps the best approach is not to view training as a cost, but a business investment that will positively contribute to your bottom line.

Boosting workplace productivity

Putting a serious effort into boosting the productivity of your company will ensure that your business is working as efficiently as possible.

The improvements that can be made from a few well thought out productivity-boosting changes can be impressive. Understanding the root causes of your productivity drags is important, and every company will have individual issues.

The benefits of enhancing workplace productivity are numerous and do not just advantage management, but also employees. Not only does your business benefit from higher output and efficiency, but staff morale is heightened due to job role satisfaction and improved workplace culture. Research shows that utilising your staff to their maximum potential improves their job satisfaction and enhances motivation levels.

Some factors that impact workplace output are staff motivation and attitudes, inefficient management and procedures, lack of employee engagement, and workplace organisation. Studies have shown that businesses with a positive workplace culture and strong leadership are more lucrative and productive than their counterparts. The common misconception is that working your employees harder is the key to improving productivity within the workplace.

However, increasing workplace productivity is all about making things work more efficiently as a whole to achieve a higher output. Improving productivity does not mean you have to undertake

drastic changes or massive restructuring in your workplace. The following tips will help ensure that you keep it a priority to ensure the continued success of your business.

Set goals for employees and communicate expectations

It is pointless to expect a productive workplace if employee expectations are not clear. It is imperative that you communicate both the organisation's and individual employee goals clearly and openly so that there is no confusion about job roles or company direction. Employee performance goals are more effective when set in measurable terms. This can be any goal with a quantitative value, e.g. sale targets, time dependent or deadline driven, rating systems, or numerical based.

Open communication channels

Communication is a key component to increasing workplace productivity. Liaising with each department and individual within the company on a regular basis will help ensure that everyone stays motivated and on track. Meeting with managers, supervisors, and other employees frequently to discuss team and individual performances, motivations, and other work-related issues will benefit everybody in the organisation.

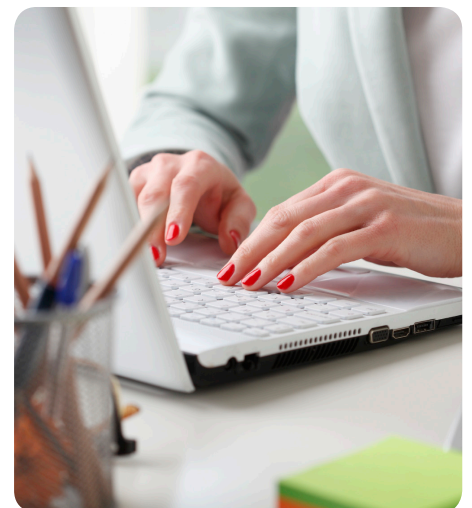
Invest in staff development

Your employees are the most valuable aspect of your business, therefore it is essential to the success of your company that you invest in them.

Training and development not only adds to your organisation, but it motivates your employees with continued growth and individual development. Providing continued workplace training is also proven to enhance employee retention rates.

Reward achievements

Rewarding an employee's achievements and contributions in the workplace plays an integral part in increasing productivity. When your employees feel appreciated, they will be more motivated and in turn increase their work performance. Whether it is a monetary or non-monetary reward, any recognition of your employees' merits will be instrumental in improving productivity.



Improve your in-house communication

The way that you and your employees communicate within the company can have a huge impact on your overall performance.

In-house communication is not just about how well individuals communicate, but also the quality of your communication systems and plan.

A well thought out communication plan can prevent disagreements, create trust with customers and suppliers and ensure you do not miss deadlines.

Leaving important parties out of the loop is the most common communication related problem



businesses come across. This can cause major disputes, especially when relating to payments. To start drawing up a communication plan, make a list of all the people you need to stay in touch with: customers, potential customers, past customers, employees, contractors, sales reps, suppliers, distributors, industry colleagues, referral sources, etc. and note how often you need to contact them, how you will communicate with them, and what each party needs to know.

Implement the following into all of your communications with each group:

Explain. From the beginning, be sure everyone involved in a project understands as much as possible about the nature of the work, the overall goals, the timetable, and the possible complications or delays.

Be regular. Let people know what you are doing, or find out how they are doing. If you are working for a client, keep them informed even if the task is not done.

Acknowledge. Do not wait for a project to be finished or for success to be achieved to acknowledge other people's efforts. Let people know they are doing a good job while they are still doing it.

Listen. Listening is an absolutely critical business skill, particularly for those in management or sales. Listening does not mean just giving another person a chance to speak; it means actively listening to what they are saying, asking questions, and reflecting on what they have said.

Improving your online reviews

Online reviews are becoming increasingly crucial for businesses, and they can make or break a customer's decision.

Obviously the quality of the reviews matter, but it is also important to have a reasonable quantity of reviews. Here are some tips to increase your number of online reviews:

Follow up sales with an email or phone call to check up on the customer's satisfaction. This is a great way to get feedback at the same time.

If you have had a particularly successful long term relationship with someone you can politely ask them to write a testimonial for you, which can also be posted online.

Be honest. Explain to customers how important online reviews are for your business and ask them to help you out. Most people will be more than happy to do this, especially if they were satisfied with their experience.

You can offer incentives for online reviews such as a discount on their next purchase, or being entered into a prize draw. Be sure to only offer the incentive for making the review, not for making a good review - this looks

bad and could potentially undermine the credibility of your business.

Emphasise that the reason you're asking them to review you is because you value their input.

Don't waste the reviews you get! Carefully read over all of the comments and use them to make improvements to your business.



Wise Words

The biggest risk is not taking any risk... In a world that changing really quickly, the only strategy that is guaranteed to fail is not taking risks.

– Mark Zuckerberg

Raising Finance

We have compiled this guide to maximise your chances of successfully raising finance for your business.

1. Choose the right financier

Spend time thinking about the most appropriate funding source for the project or objective. Long-term projects are probably not best funded by overdrafts or loans in debt. Learn about the various sources of finance and select those best suited to your purpose. If in doubt, seek our help.

2. Provide the financier with the necessary information

More often, rejected propositions do not suffer because of the lack of imagination in the idea, or because the bank disapproves of the proposed development. Rather, it is because the proposal is not presented in terms that will appeal to a potential lender.

Make sure that you fully understand the information that the bank wants. This often means much more than simple financial projections.

To have confidence in an enterprise, a financier usually wants to gain an appreciation of the business, the quality and depth of management and the key people involved – and this information should be presented in a suitable way.

3. Use the help of a professional

It is best to use the services of a professional when preparing and presenting a proposal. We can help you prepare a solid, detailed business plan that will attract financial support, and perhaps identify potential financiers who will meet your needs.

Entering the world of social media

Everyone knows how important it is for businesses to develop an engaging social media presence.



However, getting started on social media can be extremely daunting and if you don't have a well thought out strategy it can be a waste of time.

With a few easy steps you can launch your organisation's social media sites to make the most of potential opportunities for your business. While some businesses have entire departments and teams dedicated to business networking, you can start off small and still reap the rewards that this marketing platform has to offer. Here are some key steps to set you on your way.

1. What are your needs?

One of the most important things to consider before you put your business in the social media realm, is why do you need to do this? If you are simply doing it for the sake of it, and have no fundamental needs then you need to reconsider.

2. What are your goals?

You need to make your needs specific. What is your ultimate goal? What products do you want to improve? What aspect of your business do you want to improve?

3. Who is your target audience?

The digital world is a huge one so you need to be specific on whom your audience is so you can target them effectively.

4. Which sites?

You need to decide which sites you want to make your business present on. Do some research on the site, so you know exactly what you are dealing with.

5. Whose responsibility will your sites be?

Make sure there is someone to manage your pages/accounts so that they are not abandoned. Social media is fast paced so in order to retain your customers' attention your sites need to be active and regularly updated.

Budgeting for growth

It may seem obvious that business growth can only occur when there is money available for re-investment. However, many businesses do not consider this when budgeting and planning their long term finances.

One of the biggest impediments to growth is access to finances that will fuel the investments that are needed to support growth.

Therefore, it is important that a business obtains healthy and robust profit margins to prepare for any future expansions.

If a business is planning to fund investment in its own infrastructure it will only be able to do so with appropriate profit margins. Without this, the firm may have to raise funds through the sale of equity, or borrow funds in order to grow.

Here are some key aspects of business growth that may require funding in the future:

1. Investment in new support systems

With more data to process through increased transactions there must be sufficient finances to fund the necessary support systems.

These include financial, logistics, quality control, human resources, customer relationships management, complaints handling and asset tracking. These new systems also require staff training which similarly costs money.

2. Staff development

The time it takes to train staff will have an impact on the cash flow of the business. This training will be necessary as new products or operating systems come into play with business growth.

Furthermore, in adopting and/or inventing new products for sale, new marketing operations will need to be implemented.

3. Enhancing your competitive edge

Surplus cash can help firms to counter aggressive marketing, meet competitive product changes or undertake competitive pricing.

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Achieving better results for
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At KRS Accountants, we can:

- positively help you identify opportunities to improve your profits
- work with you to achieve your business goals
- give you more time to run your business

We use our business advisory experience and expertise to monitor your business and give you proactive advice on how you can improve your bottom line and business value.

Our services include virtual CFO, tax agent, financial accounts, salary packaging, budgeting & cashflow analysis, management reports, business health checks and corporate compliance.



4. Buffering periods

The ability to absorb mistakes, evaluate what went wrong and identify solutions can mean the difference between complete failure and just a bump in the road. Rather than having to instantly cut back or take drastic action, the firm with a cash buffer can re-enter the market with a renewed approach. Therefore, even without any immediate prospects of business growth it is wise to implement strategies from day one of business operations that account for the future. After all, growth does not come from standing still.