

Balancing Act

Building Business & Realising Vision

Issue 3

January 2009 Newsletter



www.mcsbalance.com.au

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The Clear View

'What does this New Year bring?'



It is quite easy to panic with all the negative media currently circulating – yes things are not a great and businesses are scaling back or shelving projects. But is the economy stopped completely? Businesses I have been working with are recording record months & retail sales were up 5% on last year – when the finance industry (whom are the experts but the ones most battered by the crisis) are saying the opposite, what does this mean? These businesses seem to have some consistent ideas that mould activity with cashflow creation:

- Clear Marketing Message – They had clear branding of their business, reinforced in-store, in their marketing material & targeted specifically to their market. They haven't cut back marketing – they have just made sure their marketing spend counts! Be sure it's hitting the target!
- Careful Stock Control – not just buying at a good price but ensuring their stock levels are right for demand, their pricing reflects their local market & represent value to the consumer. The power of the value perception doesn't always mean cheap & cheerful is the best!
- Margin Management – not just through margin on products (and modulating that to suit local price sensitivity or competition) but through gaining margin through tender processes, reviewing financial & services contracts. Grab back even 1-2% - it's better to be working for you, in your cashflow!

They are developing competitive advantages at the front of their business & ensuring efficiency in the engine room behind. As market is going to tighten – only an integrated approach will lessen the blows to profit. It's a time to refocus & step onto the front foot – what are the core parts of your business? What do you do better than everyone else? What is the most cost effective way to reach your client base? How do you ensure cashflow? How do you take advantage of service gaps in the market as lesser prepared competitors fail?

Some changes to the newsletter – it will now be a quarterly publication as our activity levels have grown as such to preclude monthly publishing (no I'm not going to blame the financial crisis!). Thanks again to the Australian Friendly Societies Pharmacy Association, who invited me to speak to their conference in Cairns late last year – it was great to be involved with a motivated group of business people!

Any subscriber that wishes to contribute to Balancing Act, can contact me directly on mark@mcsbalance.com.au or 0433 252 483.

Invitation: RENDEVOUS WITH ROMANCE

Join us on Valentines Day for our black tie gala ball *Rendezvous with Romance*. Enjoy dinner and dancing, and discover how love makes the world go round. On Saturday 14 February 2009 *Rendezvous with Romance* will take you on a romantic escape. You'll enjoy fine food, fabulous entertainment, spectacular prizes, and best of all, you'll help raise funds for research.

To secure a seat visit <https://secure.mater.org.au/MaterFoundation/Rendezvous2009.aspx> or phone 07 3163 8000 to join the fun & support the Mater Foundation!



The Industry View



INTERVIEW with Paul Rowe - Managing Director of NetFin

I've never missed a repayment and regularly provide information to my bank. My loan status is safe, right? I've got a flawless credit history and long time experience in business. Getting a loan shouldn't be a problem, right?

Unfortunately, this isn't the case in the current economic climate. In fact, at NetFin we've dealt with a number of recent cases where clients have come to us after feeling the 'squeeze' in the lending process. This is a part of the banking cycle in which the credit managers exercise greater control. In these times, banks are more likely to enforce stipulations in your loan contracts that mightn't have been previously enforced and are going to be more cautious in handing out loans.

This all adds up to problems for borrowers but still you don't want to miss an opportunity, and you don't want to find your business under siege from the banks. The answer therefore is to ensure you approach your loans effectively and with enterprise. Enlisting the help of commercial financing specialists can be particularly helpful in achieving this. A financing specialist can help you in a 'credit squeeze' period by:

- Examining and reviewing all letters of approval, conditions, covenants and security documentation to ensure all is in order.
- Advocating on behalf of your business with the lender throughout the term of your loan.
- Liaising with you and your accountant to generate an understanding of your requirements and position.
- Communicating effectively with your lender.

Communication with your lender is particularly critical in the current climate. The banks often simply don't have time to understand their clients and more importantly their clients' business. You need to be able to understand the financial needs of your business and then be able to communicate those needs to your bankers. This is where a financing solutions specialist can help you to present your position effectively and ensure you receive an appropriate finance package for you and your business.

We are experiencing difficult times in the banking cycle however, if you approach your financing 'head on', you can help ensure you won't feel the 'squeeze'.

For financing solutions delivered with exceptional customer service for your business you can talk to us on 1300 638 346. We provide Business Solutions for:

- Finance,
- Superannuation,
- Insurance
- Eftpos

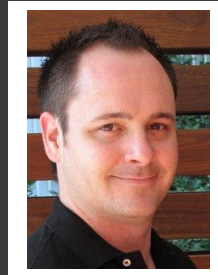
www.netfin.com.au

NETFIN
A member of the Guild Group

Profile Perspective

Name: Jeff Lamb

Job: Co-Founder and Director of One Stop Group Pty Ltd



What does your business do?

It operates a Recruitment and Labour Hire Company that specialises in Blue Collar Warehousing and Distribution personnel; a Registered Training Organization delivering Training and Assessment in Certificate Level Transport Logistics based courses, Heavy Equipment/Plant Licencing, Heavy Vehicle Licencing and Traffic Control courses; A Traffic Management Company working with Asset Maintenance/Management service delivery.

What do you enjoy about your work?

Synchronising the efforts of different parts of the Group. Seeing our Team show pride in their achievements and the Company.

Greatest Career Challenge?

Starting my first Company in partnership, at the late age of 28, from a desk under a flight of stairs in my house. One of those Vision to Reality moments... that took 4 years to be an overnight success!

Greatest Career Success?

Vindicating to myself the decision to move on from a stable job and take control of my destiny by going into Business partnership – and developing and maintaining the partnerships and administrative systems that have created a successful multifaceted group of Companies.

What would you say to the PM if you met him?

I would enquire as to his favourite Cheese. You can tell a lot about a person from cheese. Then I would ask if Federal pressure could be placed on the States to allow Labour Hire company on-hire personnel (350,000 people Australia wide) wages to be exempt from Payroll Tax regardless of the position in relation the current threshold; given the *only* commodity being traded is time/wages, the threshold is reached too easily, and is designed for business trading more tangible commodities, and with revenues to match the wages as represented by the threshold setting. This would immediately reduce Labour Hire employee costs to the end user who prefers to use the Labour Hire method of employee engagement, and free up more of a company's payroll budget, the by-product of this is **jobs growth**. He can even claim the idea as his own.

Celebrity you are most like?

C-3PO – because I am capable of doing the hand flapping thing he does!

Favourite Restaurant?

Anywhere that serves any food that once had a face.

Motto or Favourite Quote?

I'll do both – Quote on employees "Don't be afraid to surround yourself with people more intelligent than you are" and the Motto to live and work by that my business partner gave me and I will never forget - "You only have ONE reputation – do the right thing, even if it's the hard option". That's the polite and publishable version anyway.



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