



Why do beans count?

August 2009

Welcome to the Augustly issue of the BRG Newsletter for 2009. Grab a cup of tea or coffee and sit back and enjoy our latest news. If you would like to receive this newsletter by email, contact us by email on support@busres.co.nz.

On the Business Front

Think before you turn away a potential client

One of our clients wanted a piece of wood dressed by a joiner – a very small order. He rang a substantial joinery firm in late November. When the telephone was answered the voice said “we can’t do anything before Christmas, in fact, we are full up till near the end of February”.

Some years ago the manager of a box-making factory worked his staff overtime in October and November. By the beginning of December he was almost out of work. He sent his salesmen out chasing orders with the promise of delivery before Christmas. He made a fortune! He could charge premium prices and he had no competition! They were all saying “We can’t do anything before Christmas...”

When you turn a customer away, even before hearing what he/she wants, you are not only turning down that sale but also the possibility of future sales to the same person – or their friends. Business is not about stock-piling work; it is about stock-piling money (for a short time, anyway.) It might be comfortable to have a full book ahead of you, but it is more profitable to plan your business so you can also take any good quality work that comes your way.

An accountant was asked to do a simple tax return and turned it away. The potential client went elsewhere. Two years later this tax return client referred a relative to his new accountant. The relative became one of the practice’s biggest clients. You shouldn’t take all customers, but why turn away potential good ones?

Cashflow is 'KING'

Many businesses are finding conditions very difficult at present. Not because they are unable to make sales, but because they are experiencing severe cashflow problems. Some commentators are forecasting that around 12% of small businesses are at risk of failing because of poor cashflow control. If you are giving credit to customers, now is a good time to fully review your credit management systems (if you haven’t already done so).

One of the best systems you can introduce is to prepare a short-term cashflow forecast each week, whereby you analyse your anticipated cashflow performance over the next 4 to 5 weeks. If this analysis indicates that you are going to have a problem, then now is the time to rectify the situation by contacting debtors and trying to ensure that payments are made, having discussions with suppliers to slow down payments or presenting a case to your bank for a temporary overdraft facility.

It is a good time to review your systems to ensure that invoices are being dispatched promptly as soon as goods or services are provided. Are the invoices in accordance with the customer’s requirements? (Otherwise the invoice will be delayed in its processing, which will delay payment). Are you preparing a debtors’ aged analysis each month and is the analysis being used to chase up any customer who has an amount outstanding for more than your stipulated payment time? If so, these people should be immediately contacted and arrangements made with them for payment.

If you would like more information to assist you in the short-term management of your cashflow position or any other advice on cashflow management, please contact us on 07 573 5569 or support@busres.co.nz

A live wire

A SMALL electrical firm is offering an online booking service so customers can book a job any time, even when the firm is shut. Good for business? We think so. It is easier to hop onto the internet any time of the day or night than to try and catch that small business owner during working hours.

Around the office

I am sure that many of you have noted that Min is no longer with us. After eight years at BRG Min has moved on for personal reasons and is now enjoying student life again - studying a Business Management course at Bay of Plenty Polytech.

Danielle has now moved full time into the Receptionist/Administrator position. Dani started with BRG two years ago in a part time role as a Client Services Assistant. Jane Hutchings, whom many of you will recall from when she was last at BRG three years ago, is back in the part time role of Client Services Assistant.

We have another addition to the team here a BRG, all but a little one. On April 11, Nerissa Gleeson (one of our Accounting Technicians) and her husband Mike welcomed Nikita Luise into the world. Congratulations to both of them on the safe arrival of their first child.

In July our long serving Accounting Technician was accepted into the New Zealand Institute of Chartered Accountants as an Associate Chartered Accountant (ACA). Bruce has one final block of study left before becoming a qualified Chartered Accountant (CA)

Important dates

20 August	PAYE	<ul style="list-style-type: none">• Employer monthly schedule (IR 348) due for small employers• Employer deductions (IR 345) form and payment due for small employers for the period 1 July to 31 July
20 August	RWT	<ul style="list-style-type: none">• RWT Return and payment due for deductions from dividends and deductions of \$500 or more from interest paid during July
28 August	GST	<ul style="list-style-type: none">• Return and payment due for period ended 31 July
28 August	Provisional Tax - Ratio Option	<ul style="list-style-type: none">• 1st Instalment (May balance date)• 2nd Instalment (March balance date)
28 August	Provisional Tax - Standard or Estimation Option	<ul style="list-style-type: none">• 1st Instalment (March balance date)• 3rd Instalment (July balance date)• 2nd Instalment (July balance date six monthly GST filing)

The last word

“An organisation’s ability to learn, and translate that learning into action rapidly, is the ultimate competitive advantage.”

- Jack Welch

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