

# PROFIT MATTERS

Helping you realise your full profit potential



## INSIDE:

- Making your small business bigger
- Writing great product descriptions
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- Improving your employees' wellbeing
- And more.

## Handing over your business to family

*Keeping your business in the family when you decide it's time to retire is a common choice for many owners.*

When planning to hand your business over to your children or any other family member, there are precautions you should take to ensure that the business model is protected in a way that you wish. Family members who have shown an interest within the business need to undergo the proper training and education for the position. This process may take years and not be considered a few weeks before the business owners retire.

### Choose the right successor:

When changing ownership of any business to a family member, think about who will be the best fit for the business. While it may be an appealing option to set up your children financially, ensure that they have the necessary skills and commitment to effectively take over the business. One strategy to help choose an appropriate successor is by having meetings to discuss various aspects of the changeover. Planning out what will be discussed in each meeting when you decide you are going to change ownership will help to create a seamless transition.

### Have a succession plan:

Having a well-defined plan in place will be of assistance when changing ownership of the business. A succession or exit plan will outline who will take on the business once you leave, and the manner in which the transition will take place. A formal succession plan can help to guide your business through a smooth transfer of ownership. This will allow you to teach your successor the ways of the business and the correct process of doing

various tasks. This also helps to teach and maintain the order in which the business has always operated, making the change easier for customers and clients. After the transition has taken place, your successor can then choose to make any changes to the business model that they think could improve the business. They can now do this with an appreciation and understanding of how and why things have been done a certain way in the past.

### Manage legal requirements:

A major part of the succession plan involves managing the financial and legal issues that arise with the changeover of a business. A common mistake many business owners make when handing the business over is thinking they are still in charge, which is not the case. Before handing over the business, you will need to do a number of things including cancelling tax registrations such as GST, lodge any final tax returns, pay any outstanding activity statements or bills, and transfer any other assets such as domain names or web registrations.

### Define your role going forward:

By overstepping the boundaries and trying to be over-involved after you no longer own the business, you can cause conflict between yourself and your successor which will impact negatively on the business. You need to respect the new person you have appointed as an owner and let them run the business on their own. There is the option for you to be a silent partner or advisor, so you can be there as a soundboard and offer advice should they need it, but anything more can become overbearing. Make sure you prepare yourself for what no longer owning the business will mean such as how you are going to fill your time that was previously spent working.



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## Making your small business bigger

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

Appearing larger can help customers to feel more secure when dealing with you and possibly give your voice or presence more authority. Exaggerating elements of your business when it comes to first impressions is easier than you might think, and many of the available strategies are cost-effective.

### **Put extra effort into your website:**

Your website is one of the first places potential customers will visit to size you up. The impression that your website makes on them can seriously influence how your company is perceived. A website that has a dated design, difficult navigation or poorly written copy can instantly give a negative impression. Poor quality websites suggest that you're a small, amateur company that doesn't care about online presence. This can alienate an entire group of potential clients.

### **Work on your social media presence:**

Developing an active and current social media presence can help a business connect with its customers and assist in making it appear more prominent and experienced. Social media sites increase the amount of information that can be found on a business and are usually far more engaging and cost-effective than traditional forms of advertising. People generally assume that businesses with a lot of online material have been there for a long time.

Businesses that have a lot of followers on social media can create a sense of age and experience, 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. For example, printing the details on cheques and envelopes rather than writing on them by hand are small and cost-effective options that can assist in building professional reliability. Continuity over different marketing platforms also promotes a sense of brand unity. Using professionally designed images on all company material will demonstrate your reach and stability in the market.

### **Get a virtual office:**

For businesses that 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:**

Visiting clients is an essential element in certain industries, such as businesses within construction or maintenance. Pulling up in a company branded car can build respect and show professionalism.

This gives the added benefit of your brand potentially getting 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 them to help promote services and secure other clients can be extremely beneficial. Business owners can mention previous jobs in meetings or display work for other clients on their website, providing permission is given.



## Choosing the right business location

*When setting up your business, choosing a location can be a critical factor in its success.*

Unless you are completely home-based, you will need to decide where you will conduct your business either by leasing or buying premises. Each organisation has varying requirements, so it is necessary to consider your needs and priorities when deciding on a business premises that will best suit you.

### **Know your business:**

The types of premises will depend on your business. Ones that offer professional services may consider choosing long or short-term leasing options that will allow you to conduct customer and business meetings from a central location. If you run a retail or hospitality organisation it will involve deciding on the best location to sell your products, both size and location wise. For those that involve manufacturing, wholesaling or selling over the internet, selecting a business location will not impact on attracting customers.

### **Identify customers:**

Identifying who your customers are and how you can best meet their needs can also assist

in choosing a location. Researching relevant information, such as where they live and work, and how far they will potentially travel to buy your products or services, can help you decide on a location that is practical for existing customers and attractive to new ones.



### **Assess the location:**

There are many external elements of a location that can affect your business. Look at the traffic in the area and work out how it can support or hinder you, as well as what services are in the area in which you choose to locate. You may consider asking other businesses in your desired location for some advice on the best providers for services such as gas, electricity, water, phone and internet. Access for both customers and employees is also a large factor when assessing the location. Consider whether it is easy enough for clients to find and employees to travel to every day. Making your business accessible can allow you to obtain a wider pool of staff.

Remember your legal and environmental obligations when choosing a place to set up your business, and check with the local council for any planning and building restrictions if necessary. For example, you could consider how possible noise produced by your business would affect the local community. Before making any big decisions, consider seeking further legal or professional advice.

## How to sell a price increase to your customers

*While delivering news that may negatively affect your customers can be nerve-wracking, the key is honest and open communication.*

A diplomatic and thoughtful approach will indicate your concern for the wellbeing of all parties and help to build trust with your customers. Here are some tips that can help you succeed in selling a price increase.

### Prepare customers:

Provide your customers with enough notice of the upcoming cost increase. This will allow them to make necessary adjustments in their systems and to prepare for the changes.

### Dimensionalise:

Give your customers reasons as to why you are increasing your prices. Explain the factors that make the increase necessary, such as higher

energy or increased labour costs. If you can logically defend why you are raising costs, it allows customers to understand where you are coming from and be more open to the change. Breaking down the specifics of what customers are actually paying for can help you justify your costs. By explaining all elements and costs of the service up front, you can potentially avoid later disputes over what clients were charged for.

### Believe in the increase:

Price increases often fail not because the customer doesn't accept it, but because the business doesn't believe in it. A lack of confidence will come across to the customer, creating distrust. They may even use your insecurity to successfully negotiate a discount. To avoid this, develop a list of reasons why it is important for your organisation to take a price increase, which can serve as a tool to help you be confident in why you are raising your prices.

## Writing great product descriptions

*Written product descriptions are becoming an increasingly important component in marketing strategies.*

The way you describe a product on your website can make or break a customer's decision. Each product description is also reflective of your business and may play a formative role in determining a customer's perception of your professionalism.

There is an art to writing a great product description. It often involves creating a delicate balance between the different elements. These are our top tips for writing product descriptions that sell.

### Perfect length:

Your product description has to be long enough to give the reader all of the information that they might need, but rambling descriptions can seriously undermine your chances of a sale.

The last thing you want is for a customer to get bored while they are considering your product. Long winded product descriptions can also create the impression that you do not know your own business well enough to sum it up concisely.

### Engaging and informative:

Adding a little personality into your product descriptions can give them an edge. Whether it is funny, quirky, dramatic or emotive, your writing needs to be reflective of your brand. However, you need to make sure that this is balanced with detailed information. Customers become frustrated if they are unable to find the information they need, which may well lead them to one of your competitors.

### Avoid superlatives:

Superlatives are words that indicate the highest possible degree of something (greatest, biggest, finest etc.). When it comes to product descriptions, superlatives can sound insincere unless you have concrete facts to back them up, and can appear as though you need 'fluff' or filler words to sell your product.

### Use keywords:

Constantly using keywords in your product descriptions helps to improve the visibility of your products to search engines. Take some time to consider alternative keywords and weave them into your copy in ways that sound natural. Alternative keywords are terms which people may substitute for your keywords when searching online, such as 'handmade' and 'handcrafted'.



## Perks for your employees that you can afford

*Supporting your employees doesn't have to break the bank, as you can provide perks in the form of policies rather than material rewards.*

Creating a work environment with actionable benefits can increase productivity whilst attracting and retaining skilled employees.

### Flexible work:

An attractive perk that an increasing number of companies offer is flexible hours. It has become so popular in fact, that employees have the right to request flexible and part-time working arrangements from their employer under the Fair Work Act. An employer can only refuse such a request on reasonable business grounds. Small businesses are often in the best position to offer flexible work arrangements, as schedules tailored for the individual can still allow work to get done efficiently. This gives employees a healthy work/life balance.

### Support:

Sometimes employees need time off with short notice or something in their personal lives affects their ability to work. Business owners can make a positive impact on employees that are experiencing problems or hardships. This could be through listening and talking them through their approach to work, or providing active support with altered work hours until things have settled down. Looking after an employee in a time of need helps to create a supportive environment that staff are more likely to enjoy working in.

### Novelty days:

Having a novelty day weekly or monthly can provide a fun atmosphere and give employees a day to look forward to. For example, you could implement initiatives like a "bring your pet to work" day, assuming that no one is allergic and the pets are sufficiently well trained as to not cause disruption in the workplace. If your workplace has a dress code, "casual Friday" could be a good way to boost morale at the end of the week.



# Startup essentials to help your business succeed

*With almost 237,000 small businesses started in Australia in 2018, succeeding in a new business venture can be as daunting as it is exciting.*

There are many aspects that need to be considered when starting your own business. Here are a few startup essentials that can help you evolve your good idea into a successful business reality:

## **Commit to an idea:**

The possibilities of what you can achieve are vast but for a successful business, you need to narrow your scope. Entrepreneurship is about committing your time and money to a plan you believe in, so choose your business wisely and devote yourself to making it a success.

## **Plan:**

Do not go into a business blindly, as a good idea can only get you so far. A business model shows possible investors you are

serious and gives you a blueprint for how to run the business going forward. Look at elements such as start-up costs, risk assessment, hiring and outsourcing when making your strategic, operational and financial plans.

## **Be in the know:**

Having an idea is all well and good but if you do not have the industry knowledge to back it up, your dream may be over sooner than you think. Experiencing an industry firsthand will assist with practical knowledge whilst research can help from a technical standpoint. When you are creating your business plan, you need to honestly assess your own skills and expertise so you can identify where you could use assistance.

## **Protect yourself:**

Insurance and trademarks are essential to protecting your property, both physical and intellectual. Though this may not be an

exciting step when creating a new business, it is your responsibility as an owner to manage the risks associated with your business.

Implementing the proper insurance ensures your company is protected in the event of disaster or litigation.



# Improving your employees' wellbeing

*Providing a workplace that promotes positive wellbeing for its staff is a key responsibility of all employers.*

Workplace wellbeing refers to both the physical and mental state of employees. While physical wellbeing covers essential elements such as access to natural daylight and temperature control, mental wellbeing is equally as important.

As many people spend more time with colleagues and clients than they do with family and friends, having a mentally healthy and safe workplace will encourage workers to perform their best. By creating a positive and productive environment, people will want to come to work.



There are a number of simple things that you can do as an employer to create positive wellbeing in your workplace. You don't have to spend a lot of money and can engage your whole team.

## **Smart work design:**

A pleasant work environment will lead to positive mental wellbeing for your staff. You may achieve this by establishing flexible working hours, and addressing a workplace culture of when, where and how you work. Involve your employees in the decision-making process of how work is performed to ensure that it will work for them.

## **Mental health awareness:**

Talk openly about mental health in your workplace, and provide access to information in the form of brochures or noticeboards. You could participate in initiatives like World Mental Health Day or R U OK? Day to further raise awareness among employees and encourage open discussions about these issues.

## **Support staff:**

The more that your staff feel supported, the more likely they are to be motivated and productive. Create a workplace environment that allows employees to share how they are feeling and any problems that they may encounter through open lines of communication. Employees should feel that they can trust their colleagues and managers, ensuring there is a clear process for managing stress.

## About us

# Leenane Templeton

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- Work with you to achieve your business goals
- Give you more time to run your business

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