

PROFIT MATTERS

Helping you realise your full profit potential



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- Evaluating the risks of business
- How to avoid hiring the wrong person
- Growing your business with referrals
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The critical steps to a successful partnership

It is a tall order to ask for a business owner to manage everything alone, much less lead their business into success. This is why many successful businesses are born from partnerships.

Partnerships can be advantageous to business owners looking to balance their complementary talents and personalities. Sharing the experience of running a business can make the whole process more enjoyable, especially with a partner who is liked and respected.

However, partnerships are not without their disadvantages. Disagreements are bound to happen over time so it is important to formally structure the relationship. To ensure business success and the longevity of your relationship, there are a few important steps to take when laying out the groundwork for your partnership.

Sort out the basics with your partner first; Be sure to cover issues such as:

- Business ownership division. Who owns what percent?
- Decision-making processes. How are business decisions made? Who has final authority? How are disagreements settled?
- Partnership responsibilities. What are each partner's responsibilities? How much time and money will each partner contribute? Can partners work in other positions at the same time?
- Partnership breakdowns. What happens

when a partner wants to sell? What happens when a partner dies or becomes disabled? What happens if you want to bring on an additional partner?

Draw up a written partnership agreement

Solidify all the key issues that you have discussed in a legally binding contract. This is to ensure that parties involved are held accountable to the agreed-upon terms of your partnership. Also make sure that contract is drafted with professional legal advice and assistance.

Choose an appropriate business structure

Discuss with an accountant what legal form your partnership should take. This is important to determine your level of involvement in a partnership. For example, a simple partnership does not provide protection for any party's personal assets.

Consider a buy-sell agreement

A buy-sell agreement acts as an insurance policy for partnerships in the event that a partner dies or becomes disabled, wants to sell their share of the business, or leaves the business. Buy-sell agreements can resolve disputes or differing goals by transferring business ownership and reducing the risk of business failure after a partner leaves. Always seek professional advice before drafting a buy-sell agreement to ensure all situations are covered and the contract is neither too advantageous or disadvantageous for one party.



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Readapting to working from the office

As businesses are looking to bring their employees back into work, it is important to ensure that your workstyle practices allow you to seamlessly integrate into working from the office.

Consider adopting these changes to make your transition into the office space easier.

Evaluating the risks of business

Entrepreneurs are faced with constant challenges and decisions that often involve taking risks.

While risk-taking can be a necessary part of running a new business, entrepreneurs need to make informed and thoughtful choices to avoid unnecessary damage to the business.

To manage risk effectively, entrepreneurs need to be proactive in identifying and responding to risks before a crisis strikes.

Identify risks

The first step to managing risks well is identifying them. Both tangible and intangible items can pose risks for your business. Entrepreneurs may find it easy to list the physical items at risk such as assets and infrastructure, yet may neglect intangibles such as injury to staff, loss of important business information, fraud, product recalls, supply chain disruptions and so forth.

Calculate your risks

Once the risks have been identified they should be ranked on the likelihood of occurrence and the severity of consequence it might impose on the business. This risk criteria helps to form a risk rating which can rank the risk from low to extreme. The risk rating helps you to determine what risks need more time, attention and resources.

Manage your risks

Finally, the risks need to be managed effectively. There are four ways of managing risk including avoiding the risk, transferring the risk, reducing the risk and accepting the risk. Avoiding the risk is not always the best or viable solution. Transferring risk is a common way of avoiding damage as the risk is no longer your problem, for example insurance and product warranties.

Structure your daily routine

Working in an office space structures your day, and this is an important feature to bring into your work day even when you're working from home. Create a work-based routine that will work for you at home and at the office. For example, you may find that using the first hour of the day to respond to emails and enquiries, and using the later part of the day for meetings works best for you. It is important to stick to that routine as best as you can to then provide yourself some structure when you go back into the office.

Prepare for distractions

Without the common distractions that an office space comes with, employees may find that they are more productive at home. Consider incorporating collaboration meetings and calls into your work day when working from home. Brainstorming sessions and daily stand-ins can be great ways to reintroduce socialisation with your colleagues to make social interactions productive and less distracting. Consider setting boundaries if you feel that you need to reserve portions of your day for important tasks, and let your colleagues know so they don't distract you.

Maintain stability

Working from home has left employees with a lot more free time during the day, allowing them to pick up new hobbies and interests. These are activities that may have been a source of relaxation when working from home so try to continue indulging in these activities once you transition back into working from office. Upskilling for personal fulfilment can be rewarding and even contribute to better mental health and wellbeing.



Growing your business with referrals

Word-of-mouth referrals may seem like an outdated concept in an age where online reviews are the popular choice, but a few credible and positive opinions can still go a long way when it comes to attracting new clients.

Customer referrals are never guaranteed, but here are a few methods you can use to increase the number of people who will remember and improve the chances of a client recommending your business to another.

Remind customers you exist

Maintain high levels of brand awareness and make sure your customers can easily remember your business and products. Use a mailing list database and keep in touch with your clients regularly through email or social media. Make sure to update your clients (personally whenever possible) when you have special offers and new products to keep them engaged with your business.

Join communities

From professional organisations to online community groups, getting involved in different activities will give you new contacts, boost your business profile and increase your brand awareness. For example, using community hashtags on your social media posts when

promoting a product will direct interested audiences to your business. Simply remaining active in such community spaces can go a long way in indirectly advertising your products and services.

Exhibit at industry events

Industry-relevant exhibits and events are a good way to increase your business' brand awareness and meet a lot of new potential customers at once. Being active at these kinds of events (through sponsorships or networking) will keep your name in front of your current customers as well.

Use testimonials

Similar to reviews, testimonials from your existing customers can help improve your brand's reliability and encourage loyalty and trust with your new customers. The fact that a client allows you to use their name adds credibility and serves as another kind of referral.

Ask customers for feedback regularly

Constant improvement and clear communication is key to impressing clients and increasing the chances of referrals. By soliciting suggestions from your existing clients, responding to them personally, and providing high-quality service, you can let customers know that you care about them and want to meet their needs. Establishing such a caring relationship with your customers will improve your business' reputation as well.

What to consider when developing a sales strategy plan

A successful sales strategy plan will provide your business with clear priorities, goals, and outcomes that can help you increase sales.

Outline your mission and goals

What's your business' mission statement? What are the goals and objectives that will help you achieve this? Your mission statement should define what your business stands for and what it aims to achieve, while your goals and objectives should be aimed at executing your mission. Consider using the S.M.A.R.T. framework when developing your goals to ensure that they are specific, measurable, achievable, relevant, and time based.

Identify your ideal customer

Knowing your ideal customer persona is crucial as it will be the basis of your marketing strategy. Assess your ideal audience by researching their demographics, needs and wants while thinking

about how your products or services have to offer them. Don't limit your demographic research to age, location, and gender, but also consider their attitudes, aspirations, and lifestyle.

Conduct a SWOT analysis

Assessing your business by using a SWOT analysis can help you identify areas to consider when developing a sales strategy plan, by addressing:

Strengths:

- What are your strongest assets?
- How skilled is your sales and marketing team?
- What advantages does your business have over competitors?
- What resources are available to you?

Weaknesses:

- What are your areas of improvement?
- What types of complaints do your customers have?

- Where do you fall behind from your competitors?
- Are you working with limitations on resources or skills?

Opportunities:

- Are there changes in the business environment you can benefit from?
- Have there been changes in the market that could present an opportunity?
- Do your competitors have weaknesses or gaps you can fill?

Threats:

- Are your competitors expanding or getting stronger?
- How satisfied are your customers?
- Are there changes in the economy, consumer behaviours, or government regulations that could affect your sales?

Making safer workspaces

As employees return to office spaces, there is a growing concern as to how employees can protect themselves at work.

It is crucial that employers carefully plan their work spaces to minimise the risk of COVID transmissions. Consider the following essential ways you can adapt your workspace to protect your employees and customers during these risky times.

Physical distancing

One of the most essential recommendations employers should follow is making sure that there is at least 4 square metres of space per person. Consider making adjustments to the layout of your office space to allow workers to maintain a 1.5 metre distance from each other. These may include wall / floor markings and signage to keep workers aware of the distancing measures. It can be helpful to review tasks and events that require closer interaction, and map alternative ways to complete these tasks while still allowing social distancing to take place.

Close contact work

If the nature of the work your employees have to engage in requires close contact, then extra care needs to be taken to make sure that you minimise putting your employees at risk. Consider minimising the number of people within an area at any given time, and marking off certain areas

of the workspace for essential employees only. Steps like staggering start and end times for shifts, encouraging employees to form teams with workers that need to work together, and moving each group to a different area of the office where they still have separate access to facilities can help minimise risk of COVID.

Sanitation facilities

It is important to train all employees on the hygiene practices that will be in place at your office space. Consider signage in washrooms on handwashing protocols, providing well-stocked bathroom facilities and providing hand sanitiser in appropriate locations such as entries and exits. Regularly empty waste bins and encourage ventilation by opening windows and adjusting air-conditioning units to stop them from recirculating the same air.

Cleaning the office space

It is recommended that workspaces be cleaned at least once a day, and commonly used spaces are disinfected as regularly as possible. If your business is more customer-oriented, it may be useful to clean and disinfect more frequently. Surfaces that are constantly touched, like door handles, phones, credit card machines, toilets and buttons should be disinfected as frequently as possible. Consider encouraging workers to disinfect their regularly used items like glasses and phones.

Personal protective equipment

Consider providing employees with PPE like masks, gloves and eye protection equipment to foster safer work conditions. It can be useful to consult with employees about the types of PPE they prefer, to ensure that their areas of concern are being addressed. If employees work in close proximity to each other or with customers where interaction time is longer, it can be useful to install screens or sneeze guards to shield workers from droplets. However, employers must remember that these screens also need to be cleaned and disinfected regularly.



How to use free samples to grow your business

Making a good first impression is key to establishing yourself in an industry and securing the interest of your potential clients and investors. The easiest way to get your foot in the door and attract relevant parties is to offer a risk-free product in the form of a free sample.

Although handing out free products and services may result in a capital loss in the short-term, it also offers intangible long-term benefits such as improved reputation, increased brand awareness and product loyalty. Here are some tips on how and when you can use free samples to grow your business.

Sponsored events

Sponsoring an event is an important business opportunity as not only does it increase your overall brand awareness, it is also an opportunity to distribute free samples for product quality investigations and gauge public interest.

Event sponsorships (such as a marathon, workshop or charity performance) do not necessarily require

monetary input, rather handing out your products for free may be helpful enough for the event. However, make sure the events you sponsor are relevant to your business values and that attendees are within your target demographic before committing to a sponsorship.

Customer bonuses

Clients will always be incentivised to purchase or commit to a product if they know they are getting an additional bonus for free and feel that they are receiving something of high value. Free samples in the form of service trials, extra product samples or a simple gift can boost client interest and loyalty. For a business, free samples are a way to grow the number of products sold to a client and increase the value of each customer. Clients will likely respond to your favours with loyalty and word-of-mouth advertising in the event that they enjoy your product.

Networking

Consider bringing free samples to networking events that you attend. Similar to a business card, handing out a free sample of your product when

meeting potential investors for the first time can strike a conversation and increase interest in your business. Investors will be more inclined to take interest in your business if they can materialise your product (rather than an idea or pitch) and see that you already have an effective marketing strategy in place in the form of free samples.



How to avoid hiring the wrong person

There is a growing demand for new employees as businesses open their doors again. However, a bad hire can damage the reputation of your business, impact the work environment and may force you to restart the recruitment process.

Small businesses can be especially impacted by the significant expenses involved in hiring new employees. Business owners may want to consider using the following tips to avoid employing a bad hire.

Developing a culture fit

You may find that your business has a unique corporate culture that your employees thrive in. The best way to assess this is to have your team members meet the potential hire to allow both parties to understand the kind of culture that exists in your workspace.

Using this information to screen potential employees during interview stages improves your chances of finding a candidate who is likely to fit well into your team.

Role definition

While a culture fit is more likely to screen candidates who fit within your business' values, it is key that your new hire is able to succeed in their actual responsibilities. Consider reviewing your job posting to make it more specific, relevant and gives the candidate a clear idea of what they can expect from this role. The job description should ideally include

more specific key technical competencies, necessary soft skills, expected deliverables and revenue targets that the hire is expected to meet in that role. Detailed job expectations can also help in evaluating the employee's performance in the future.

Effective on-boarding

If a new hire seemed like a good fit, but is not performing well, employers may want to examine the on-boarding process within the company. Failures in the on-boarding stages can include a lack of communication or expectations from the employee to work independently and without guidance within the first few weeks of employment. Consider communicating clear deliverables and establishing a point of contact for the employee for any support. Your new hires can also be a valuable source of feedback on your on-boarding process and help you identify gaps in your hiring stages.

Handling mis-hires

Finally, some businesses may still find that they ended up with the wrong person for the job. Hiring managers often have a large responsibility in hiring the wrong person, so treat termination as your last resort. Before immediately removing a poor fit from your business, consider having a conversation with the employee about their issues with meeting their deliverables. Some issues can be solved with appropriate skill training and workshop sessions, or simply moving them to a more suited role within your company.

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