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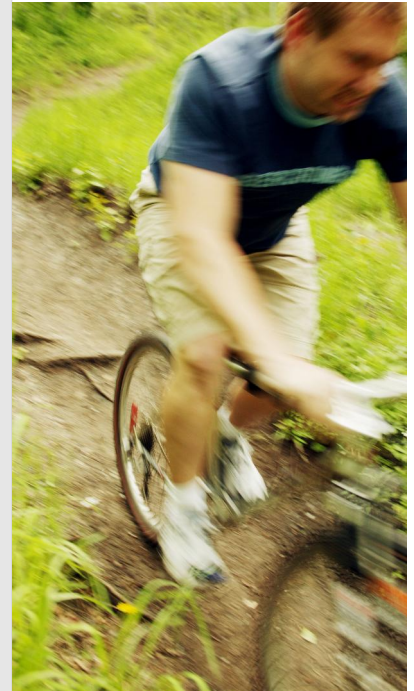
Ingredients for Business Success

Preparing a plan and then monitoring it, on an ongoing basis, is a very important ingredient for business success. The other key ingredients for business success include:

- § Being concerned about your staff, communicating with staff, letting staff know what your business plan is
- § Having concern for customers, establishing databases, having an ongoing communication strategy to keep customers informed about developments within your business
- § Having concern for suppliers, having open and frank discussions with suppliers about your customers demographics and preferences, arranging to purchase products suitable for sale within your business and supported by extraordinary service from your suppliers

The key is to keep on reviewing the plan. When you start in business, find a 'difference' in your offerings. Find a 'niche market'. Try and learn from other people. Employ people who are very capable and maybe smarter than you. Know what you are doing and where you are headed in the market place.

Be humble and patient and realise that a business is not a sprint – it's a marathon.



Business Plans - Some Questions to Consider on Suppliers

Some questions to consider when reviewing your suppliers for the preparation of a business plan:

- § Who are your major suppliers and for which products/services?
- § What are your annual purchases?
- § What are your suppliers' terms of trade?
- § Have you negotiated the best terms of trade with suppliers?
- § Are there alternative suppliers?
- § Do you involve suppliers in marketing/promotion activities?
- § Do you negotiate special prices for specific purchases?
- § Do you obtain quotes from alternative suppliers?
- § Have you given personal guarantees to suppliers?

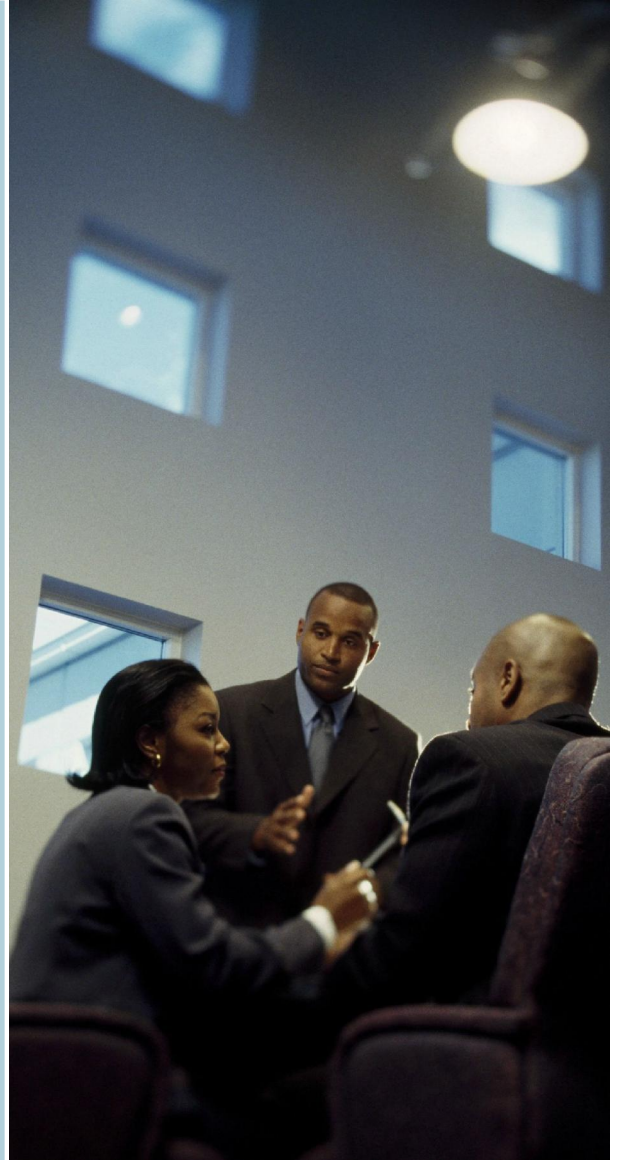
Capital Raising

Many public companies have been raising new capital to replenish their reserves following trading difficulties during the global financial crisis. Many small/medium enterprises will also be looking to raise additional loan funds or capital to be able to exploit the expected market opportunities as trading conditions improve.

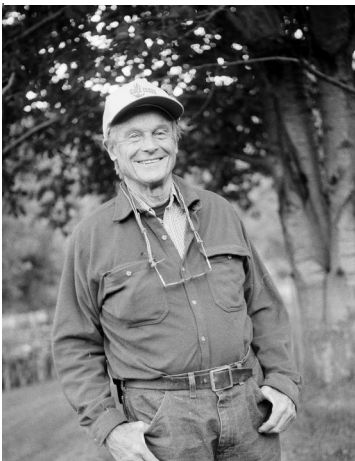
Banks are imposing financial stress testing to any new loan applications, which means SMEs need to carefully prepare loan applications. These need to be backed up with up to date financial information and a clear, concise business plan.

The company has to be able to exhibit that it has developed a product/service that the market needs. You will need to be able to answer the following questions:

- § What problems are solved by the product/service or technology?
- § How is it different from competitors' products/services or technologies?
- § What is the stage of development?
- § What is the sustainable competitive advantage?
- § How will the products succeed in the market?
- § What testimonials can be produced from current customers?
- § Is the product/service or technology already available in the market place and is there further research to be undertaken?
- § Has an independent technical assessment on the product/service or technology been conducted?
- § Is it a standalone product/service or technology or will it form part of a product stream?
- § How is the intellectual property protected?
- § What market research analysis has been undertaken?
- § What is the WOW factor?
- § Who are the members of the management team?
- § What is the management team's experience? It is a good idea to attach the management team's CVs to a funding application.
- § Who are the directors of the business? (especially if they are different to the management team)



There are many aspects to consider in completing applications for large loans or capital raising strategies for SMEs. If you would like to discuss this with us, please do not hesitate to contact us.



Enduring Power Of Attorney

As part of forward planning, business people should consider making an Enduring Power of Attorney.

An Enduring Power Of Attorney provides the documentation, relating to the appointment of a Power Of Attorney, to be enacted if the person subsequently loses their mental powers or is incapacitated. Normally, an Enduring Power Of Attorney is made in favour of a spouse, relative or friend, and gives the power to act for you if you can no longer act for yourself.

If you require assistance in preparing documentation for an Enduring Power Of Attorney, please do not hesitate to contact us.

'Plans are worthless, but planning is invaluable.'

Sir Winston Churchill.

An Important Message

Be sure to read each article with the mindset 'How this could apply to our business'. Thinking of it that way will guarantee that you get value. Also make copies for each team member. To really make sure something positive happens, work with your business development specialists to talk your team through ideas.

Marketing to Existing Clients

It is common knowledge that keeping your old customers is cheaper than trying to attract new customers. So why is it that we forget this when considering our marketing and advertising strategies? The fact is, if all of our efforts are focused on obtaining new clients, who's marketing to our current clients?

There are some great, cost effective ways of marketing to our current clients in a non-invasive way. There are some rules though:

- § Never over-contact your clients (once a month is sufficient, you don't want to look desperate!)
- § Always think of the customer's needs before contacting them and what will have the biggest impact (after all, you are providing them with a solution to their need)
- § Contact your #1 clients first and treat them like royalty (these customers are your priceless jewels; make sure they feel like it)
- § Put dates on special offers or promotions (this creates urgency in the eyes of the consumer and increases your chances of a quick sale)

Do you put out a newsletter? If not, why not think about it?

Newsletters:

- § Keep your business and logo in the mind of the customer
- § Allow you to promote products you supply that the customer may not have known about
- § Are inexpensive to create and distribute (whether by email or post)
- § Increase the credibility you have in your field making you look like an expert
- § Convey non-invasive information that can be viewed at the customer's pace
- § Interesting well written and researched articles could lead to customers talking about it or passing it on to friends (for a marketer this is like winning the lotto!)

Be warned! Never confuse your newsletter with a sales brochure or a letter. Don't base your newsletter around how your business is performing or your business highlight of the month. Save that info for Christmas!



More than likely your clients don't care and these approaches will annoy them and cause them to opt out or throw it in the bin. You can however add a simple 'have you heard about our new product?' or 'this month's product' feature section so long as you keep it straightforward and light.

Above all, your newsletter should be fun, informative and always keep your customers' interests in mind.

Do You Have A Will?



How long is it since you reviewed your Will? Indeed, do you have a Will?

There is also some basic information that you should be summarising to assist in the administration of your affairs in the unfortunate event that administration is required. This would relate to trade secrets of the business and agreements reached with key suppliers that might not be fully documented. Writing down many of the business issues will assist your successor in running the business.

It is very important that business people implement proper plans to ensure that, if something does happen to them, due to death or permanent incapacity, there is a structure in place that will enable the business to continue. We recommend that you consult your commercial solicitor for a review on these matters as part of an annual legal check-up.



Effective Waste Management

Recent difficult trading conditions have highlighted the necessity for manufacturing and trade businesses, in particular, to cut waste and minimise costs for the client.

Many manufacturers have adopted the 5 S System: a structured systematic approach to housekeeping and the cornerstone of every world-class manufacturing operation.

The 5 S System involves creating and organising the workplace using the following steps:

- § Sort - remove unnecessary items
- § Set in order - a place for everything and everything in its place
- § Shine - cleaning the work area
- § Standardise - the rules and standards
- § Sustain - maintaining the standard in a disciplined way

If you would like to receive details on Lean Manufacturing Practices please contact us.

What's It Mean?

Benchmarking - The comparison of operating figures from one firm with another to assist in achieving best management practice by comparing firms so as to get an understanding of best performance figures, e.g. revenue generated per employee; gross profit percentage; labour to turnover percentages; net profit percentage to turnover; other performance data as compared to the overall industry performance figures.

Times Interest covered by Profit... is a test carried out by banks and lenders to ascertain the ability of a borrower to service the interest cost of a loan out of the business profits. The calculation is as follows:

$$\frac{\text{Profit before tax and interest}}{\text{Interest}} = \text{Times Interest covered by Profit}$$

Example:

Profit before tax and interest = \$525,000

Interest = \$106,000

$$\frac{\$525,000}{\$106,000} = 4.95 \text{ times}$$



An Important Message

While every effort has been made to provide valuable, useful information in this publication, this firm and any related suppliers or associated companies accept no responsibility or any form of liability from reliance upon or use of its contents. Any suggestions should be considered carefully within your own particular circumstances, as they are intended as general information only.

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