



The **BUSINESS**
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Pivot For Profit

Believe it or not, most successful business owners don't get their business model right the first time. Part of the secret to their success is they quickly identify the aspects of their business model that aren't working and act decisively to fix them.

Entrepreneur Steve Blank describes a start-up business as "a temporary organisation in search of a scalable, repeatable, profitable business model". As such, in a few years' time you'll probably find your business bears little resemblance to what your original plans were when you started out. Your operating environment continues to change and you need to adapt to different economic conditions, new regulations, technology and innovation in your industry.

You need to 'pivot' to adapt to these market conditions which could be as simple as changing your pricing structure due to an increase in supplier prices, or as complex as realising you're targeting the wrong customers and need a total overhaul of your marketing strategy and website. In any case, every business needs to continually review their business model and search for the most profitable and

scalable model. You might find you need to pivot many times along the journey, some will be minor tweaks and some major adjustments. In the digital age, if your business is standing still you're effectively going backwards.

Start-up business owners particularly need to pivot to adapt to their changing conditions.

Here are some tips to help you:

1. Be Open -

While passion is a key ingredient for business success, don't let it blind you to the needs of the business. If you are over protective of your business model you might find you miss essential changes in technology, marketing or customer habits. You need to accept and embrace change.

2. Know What Your Customers Want

By looking at what potential customers need you might identify a niche that your competitors are not satisfying. Establish a feedback process with your customers to identify their needs and how you can provide better solutions for them. Having open discussions with key customers will help you identify new opportunities and future trends so you can pivot early and become a market leader.

3. Leverage off Technology

Technological change creates opportunities all the time. The internet has opened up global sales opportunities and smartphone technology will take that a step further again. In your industry, are there developments that could create additional opportunities or open up new markets?

Don't be afraid to test new things in a bid to stay in tune with your customer's needs. Identifying opportunities, testing and delivering what the market wants is the essence of entrepreneurship.

MARKETING HAS CHANGED THE BUSINESS LANDSCAPE

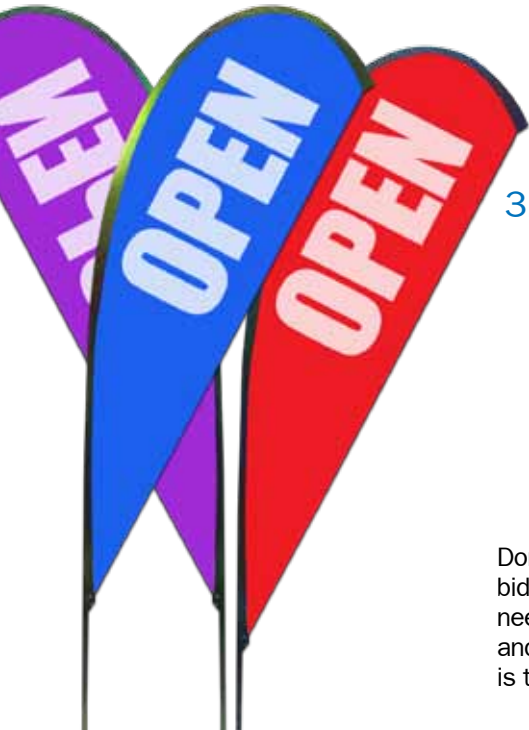
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For those not old enough to remember, this was the car that the 1970's Prime Minister, Gough Whitlam referred to as a "dud" and the car Bill Hayden famously called a "lemon".

To win new customers online you need a lead generation website full of problem solving content. You need to educate potential customers and articulate how your product or service can benefit them. The challenge is to build a relationship with these prospects and earn their attention and trust. An exchange of a valuable benefit like a lead magnet creates trust in your business which then opens the door. Your website must have a visible 'call to action' to take prospects through to the next step of the buying process and close the sale. Your website must be responsive to hand held mobile devices and as permission based marketing methods replace interruptive marketing methods, you need to recognise your website as your most valuable marketing tool.

You've probably noticed that our website has undergone a major renovation recently. It was a carefully planned process and it remains a constant work in progress. During the re-build we documented the steps we followed in a highly valuable 13 page e-book titled, *The Ultimate Guide to Winning Clients*. In the guide you'll learn about what we call the website essentials. These features have the potential to turn your website into a marketing magnet and lead generation machine. We have even created the 'website winning formula' that provides worked examples of these features and functions to help your website stand out in a crowd. The truth is, if your website doesn't have these features then your business probably won't reach its full profit potential. To access the free guide simply go to the home page of our website and download your copy from the right hand side of the page.

Over the last few months we have also been working with a number of clients to help them develop their websites. In some cases, their website has given them a serious competitive edge. If you need any assistance with your branding, video production, responsive website design or search engine optimisation, call us today and let's get to work on your business so it's more profitable, valuable and saleable.





How to Enjoy Your Holiday Without Worrying About Your Business



Many business owners choose to start their business to give themselves more freedom. Ironically, they now find they can't take more than a few days off at any time for fear the business will struggle in their absence.

According to an American Express survey, 59% of small business owners don't take holidays at all. However, with careful planning and the right systems in place, even the busiest entrepreneur can take time off to relax and unwind in the knowledge that their business will run like clockwork in their absence.

To make this happen, you need to take the time to train your most senior employees to handle all of your day to day tasks. Give them an opportunity to handle some of the challenges you face but be available to assist them if required. Encourage other staff members to consult with that caretaker manager in the first instance and in your absence.

Plan Ahead Based on Seasonal Patterns

The seasonal trends in your business should surface after several years of trading. You can then plan your holiday break and use your billing history to identify your business' peaks and troughs.

Preparation is the Key

Your staff won't want to contact you via phone or email while you are on your holidays with simple questions any more than you want to be contacted by them.

Give your second-in-charge notes including daily 'to-do' lists, notes in relation to vendor and customer contacts, projects underway or details of other issues which you can anticipate might surface in your absence. The days of procedure manuals are numbered so you could even start recording your systems and instructions in a series of videos.

Let Clients and Suppliers Know You Are On Leave

It's a good plan to let your business contacts know that you'll be away and provide them with the contact information for your caretaker. You can send a group email (using "BCC" to mask recipients) to your key customers as well as set up an auto responder with the same details in your email system.

Consider Using Temporary Staff

You may need to consider hiring a temporary staff member to assist your caretaker as they may not be able to fulfil their normal duties while they are acting in your role. Hiring one or two temporary staff members to assist with simple tasks may mean your long-term employees are able to focus on the higher-level needs of the business. Ensure they start a day or two before you leave so you can ensure they are adequately trained.

Occasionally Check In

It's almost impossible to completely get away from your business and the temptation to check emails, call and check with your staff on the state of your business is irresistible for some.

If it will ease your mind to check in, then do so but limit your check in calls and emails to only once every couple of days so that you can focus on relaxing and enjoying your well deserved holiday. It also sends a message to your staff that you trust them to run the operation in your absence.



Business Start Up Corner

What is a Good Age to Start A Business?



Online and digital marketing has changed the rules of business. The gap between knowledge and experience has narrowed and more people are starting their business in their late teens and early twenties. When it comes to entrepreneurship there are fewer obstacles but, is there an ideal age to start a business?

Clearly, there are pros and cons for both young and old entrepreneurs but the most important factor will always be the quality of your idea, concept, product or service. You'll need to understand the risks, be prepared to take advice and have patience.

While the young, technologically savvy entrepreneur may have the skills and ideas, you can't put an old head on young shoulders. There's also an adage, you can't teach an old dog new tricks. There are plenty of successful start-up entrepreneurs both young and old and age is certainly not a barrier to entry.

So, what are the advantages and disadvantages of being a Young Entrepreneur?

Advantages:

- Firstly, your perception of risk is very different at age 20 compared to age 30, 40 or 50.
- Fewer obligations – issues like supporting a family, a mortgage and car repayments can make older people less likely to take on risk. The young have fewer responsibilities and recover better from a financial setback.
- Familiarity with technology – nothing about technology will phase a younger entrepreneur who is always looking to work smarter not harder and use business automation tools.
- Irrespective of age, business failure is a fact of life. There have been some spectacular failures but young entrepreneurs have time on their side.

Disadvantages:

- Younger entrepreneurs are often not taken seriously. Online businesses with a degree of anonymity will work but eventually clients and customers will find out the age of the business owner.
- You can't buy experience and there is no text book on starting or running a business. If you don't have that experience, surround yourself with people that do and get advice from the experts.

Mature Entrepreneurs

The mature age entrepreneur will probably embark on a new business venture in response to something as simple as not wanting to be told what to do anymore. They may have been retrenched or just want to get off the nine to five 'treadmill'. They are generally more financially secure so the pressure isn't as high but they still need to have the entrepreneurial essentials of marketing, financial and business skills. A number of mature age business owners didn't learn these skills as employees.

Advantages:

- More likely to obtain finance – they generally have more capital backing plus bricks and mortar security.
- Family pressure – they may have already raised their family and have the time and money to indulge in their passion.
- Versatility – previous life and work experience can provide the skills to capitalise on business opportunities.

Disadvantages:

- Risk – no matter what your age, if your business fails it may well be the family home on the line. More assets or a large superannuation balance might mean you can purchase a larger business with more money at risk.
- Salary Surrender – many older entrepreneurs discover that giving up a relatively high salary is more difficult than they first thought. The business start-up phase can produce losses and be physically and mentally testing.
- The moral of the story is age is irrelevant. Both young and old bring different skills to the table and if you have the idea and the business plan to take to the market, then follow your passion. Planning is the key and talk to us today about your business idea and tap into our range of business start-up tools and experience.



WHAT'S ALL THE BLOG ABOUT?



A blog is defined as 'a regularly updated web page, typically one run by an individual or small group, that is written in an informal or conversational style.' They have a variety of purposes from demonstrating your expertise to creating leads for your business.

In the digital age, lead generation is a crucial part of your online marketing strategy. Basically your blog lives on your website and the mission is to produce interesting and valuable content for your target market. Once readers land on your website the challenge is to set up a system to capture their contact information. Visitors will readily exchange their email address to tap into your knowledge and insight and once you have their contact information, they have effectively given you permission to contact them again.

Your blog can position you as an industry expert or authority in your field so you can attract more of your ideal type of customers to your website and potentially boost sales. In fact, the statistics around blogging are compelling with

a report from the marketing gurus, Hubspot, suggesting that businesses that publish 15 or more blog articles per month experience (on average) five times more web traffic than businesses that don't have a blog. Businesses that publish blogs 9-15 times per month generate (on average) three times more traffic than businesses without a blog.

Published content like your blog drives website traffic because the content is indexed by the search engines and can be shared through other channels such as social media. If you commit to regularly publishing blog content you are effectively adding to your website content. Each article then provides another inbound link to your website. The more blogs you produce, the more content you have to promote through other marketing channels and therefore the more potential touch points you can have with your target market. Just make sure that the quantity of blogs doesn't compromise the quality of the content.

The Hubspot report suggests that the volume of web traffic

increased when businesses increased the number of blog posts:

- On average, businesses experienced a 45% lift in web traffic when they increased the number of published blog posts from 11-20 articles to 21-50 articles.
- Business to company websites experienced a 59% increase in traffic after growing total published blog articles from 100 to 200.

Blogging efforts also appear to impact lead generation:

- Increasing the number of blog posts from 3-5 per month to 6-8 per month nearly doubled monthly lead numbers.
- Business to business companies blogging once or twice per month generated 70% more leads than those that don't blog.
- Businesses that have published more than 200 blog articles generate 5 times more leads than those with 10 or fewer blog posts.

Increasing the number of blog posts is only part of the marketing equation because unless the content is educational or thought provoking your readers won't share your content.

It is often the posts where the blogger says something controversial or ground-breaking that is clicked on, shared and commented on. All this activity around your blog posts then increases your search rankings as the search engines are looking for interesting, current content as well.

One of the secrets is to plan and schedule your editorial calendar. Create a list of potential blog topics with the keywords highlighted for headlines and focus on producing quality content. Your website traffic will increase and you can then convert the new visitors into leads for your business.

Superannuation & Retirement Updates

CHANGES TO THE ASSESSMENT OF SUPERANNUATION ACCOUNT-BASED INCOME STREAMS

Many of our retired clients would have received a letter from Centrelink in September regarding changes to the assessment of superannuation account-based income streams. Below is a summary of the basic changes to Age Pension assets tests as of September 2014 and the new deeming rules that apply from 1st January 2015.

Account-based income streams (superannuation pensions, annuities and allocated pensions or annuities) have been treated differently from other income for Age Pension purposes as they have been considered a return of capital. Centrelink uses a special formula to calculate the income amount so as to not double count the income. As of the 1st January 2015 the treatment of super pensions when assessing the Age Pension income test has changed, but only for anyone receiving the Age Pension for the first time or an Age Pensioner receiving a super payment for the first time.

All pensioners with income products in place before 1st January 2015 will continue to have that income assessed under the existing rules for the life of the product, unless they choose to change the superannuation pension product.



The team at
SBG Accountants & Business Advisors
wish you and your family a
Merry Christmas & a safe and
happy New Year.

**Our office will be closed from
Monday 22nd December, 2014
and we will reopen on
Monday 5th January, 2015.**

We would like to thank you for your support this year and we look forward to working with you in 2015.

There's An App For That... Track Your Expenses

Need an App that can help you track your purchases and gain control of your money?

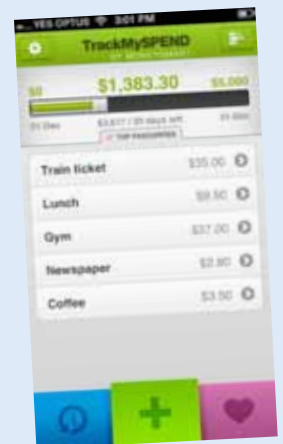
ASIC's free MoneySmart app '**TrackMySPEND**' won a Government Services Award at the 2013 Australian Mobile Awards.

The App can be used to record things like your weekly household budget, specific costs like a wedding or other event, track work and/or travel expenses, coffees, lunches and any other cash expenses that you find hard to record or track.

The **TrackMySPEND** app allows you to;

- Nominate a specific spending limit and timeframe (per week, fortnight, month or year) and track your progress
- Separation of 'needs' from 'wants' to help identify saving opportunities
- Frequent expenses can be added to 'favourites' to speed up tracking
- View your expense history
- Add 'tags' to categorise expenses and set spending limits for each category
- Create expense reminders sent as text messages to your phone
- Auto-fill expenses based on past entries
- Backup and review to prevent data loss
- Sync your profile and use on multiple devices
- Export data to a CSV file (for Excel, or other financial software)

The app is available from Apple or GooglePlay stores and is free.





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