S.W.O.T

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UNIVERSITY OF SOUTHERN QUEENSLAND

CRICOS: QLD002448 NSW02225M TEQSA: PRV12081 07.2015

business
DEPOT
EVERYTHING YOU 'KNOW' YOU NEED TO KNOW
[from business strategy to the back office]
@business_DEPOT
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YOU DON'T KNOW WHAT
YOU DON'T KNOW
business
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MY BACKGROUND

TIPS.
TRAPS.
TRICKS.
TIT-BITS.
FROM TAX TO TACTICS.

MANY SMALL BUSINESSES TEND TO
ALSO BE FAMILY OWNED
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BE DIFFERENT
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WHAT'S YOUR PURPLE COW?
WHAT WILL MAKE YOU REMARKABLE?

[Remarkable will be remembered.]

KNOW YOUR S.C.A.
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HAVE A BHAG

[Big Hairy Audacious Goal]

Work and/or personal.

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WHY?

SOMETIMES IT'S THE
LITTLE THINGS
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SOMETIMES IT'S THE
BIGGER THINGS
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@JAK_Knight
CULTURE EATS STRATEGY FOR BREAKFAST
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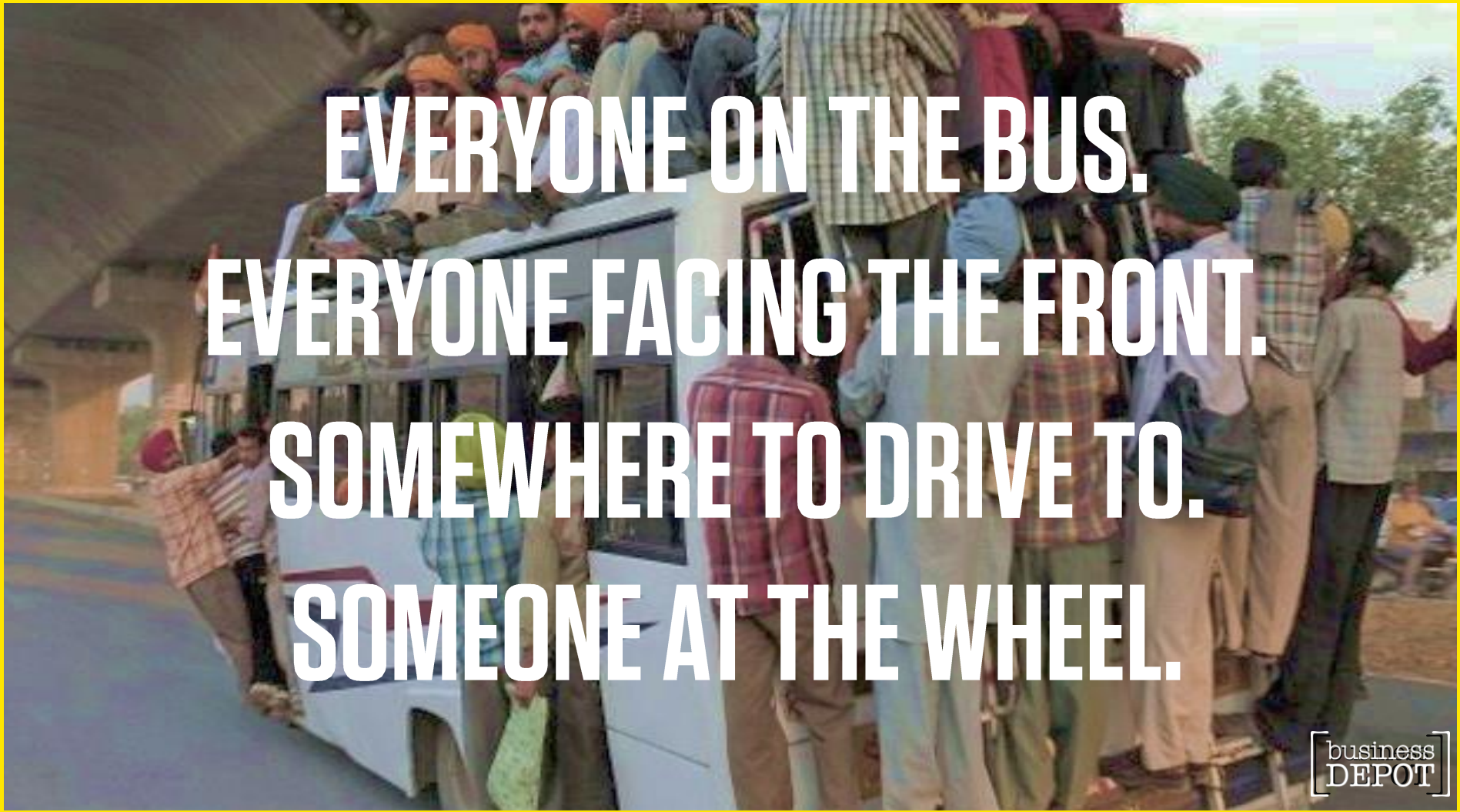
EVERYONE ON THE BUS.
EVERYONE FACING THE FRONT.
SOMEWHERE TO DRIVE TO.
SOMEONE AT THE WHEEL.
business DEPOT

KEEP IT REAL.
BE AUTHENTIC.

GET YOUR STRUCTURE RIGHT FROM THE BEGINNING

[Plans change, but you can plan for change.]

STRUCTURE CONSIDERATIONS

Income splitting ability

Asset protection

Legal Liability

Need for additional equity holders

Exit Strategy

Tax rates

Capital Gains Tax Discounts

Common Structures

BUCKET ANALOGY

@JAK_Knight

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START WITH THE END IN MIND

[#longhaul]

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THE PEOPLE BEHIND THE BUSINESS MATTER TOO
Take some time – don’t lose your mojo!
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BUILD IT.
BUT WILL THEY COME?
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GO INTO IT WITH YOUR EYES WIDE OPEN

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PROJECTIONS TO VALIDATE ...
BEST BASED ON INPUTS NOT OUTPUTS
[3 way projections ideal]

FAIL FAST
business
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ATO
business
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TAX RATES.
MAX IS NOW 49%
ON INCOME >$180K

@JAK_Knight
COMPLIANCE OBLIGATIONS WILL NOT JUST GO AWAY
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THE DREADED TAXES

Income tax

Tax rates

Due Dates

Treatment of losses

PAYG Instalments

Entity v individual

Fixed v Rate

Annual v quarterly

PAYG Withholding

Monthly v Quarterly ($25k pa)

IAS v BAS

Goods and Services Tax (GST)

10% of net (1/11th of gross)
Pretty much on everything
Monthly v Quarterly
Cash v Non-Cash ($2m)

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THE DREADED TAXES

Fringe Benefits Tax (FBT)

Motor vehicles

Entertainment

Loans

Gifts / Bonuses

Effective = 46.5% [increasing with marginal tax rate]

Payroll Tax (state tax)

Wages, super, benefits paid > $1.1m [Qld]

Directors wages

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TAX TIMELINE
2015
JAN
FEB
MAR
APR
MAY
JUN
JUL
AUG
SEP
OCT
NOV
DEC
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WHAT ARE THE DRIVERS OF VALUE IN YOUR BUSINESS?
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REPORT
BY DIVISION OR
BY SEGMENT OR
BY PRODUCT LINE OR
BY LOCATION OR

JUST REPORT [and learn to read them]

GET SOME BUSINESS RHYTHM
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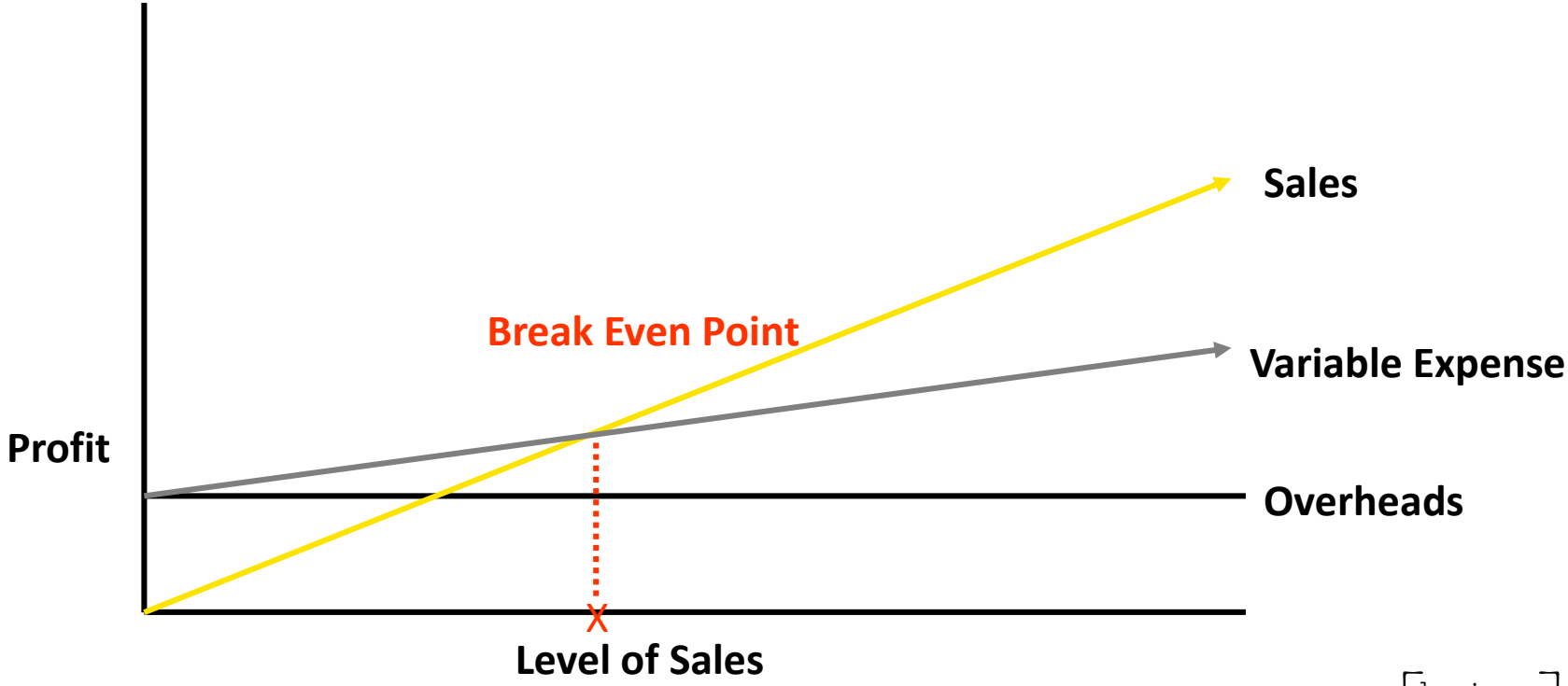
KNOW YOUR
BUSINESS FORMULA

BREAK EVEN ANALYSIS



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THE 1 PERCENTERS COUNT
[know your profit formula then focus on incremental profits]
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SIMPLE INTERNAL CONTROLS

Separation of duties.

Limit cash handling.

Don’t ignore the early warning signs.

Follow procedures.

Structured month end close [including end of month checklist].

Document procedures and processes.

Bank Reconciliation.

Backup procedures.

Budget.

Automate some processes [eg Xero for accounts].

Timely preparation of accounts [Standard report pack].

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BANKS CAN BE HELPFUL WHEN YOU START A BUSINESS BUT VERY RARELY DO YOU NOT NEED SOME TYPE OF EQUITY ON THE LINE

@JAK_Knight
CASH IS KING
[but profits matter]
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DON’T FORGET YOUR WORKING CAPITAL

KEEP AN EYE OUT FOR THE LUMPS AND BUMPS THROUGHOUT A YEAR

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PROFIT EQUALS CASH

WHERE HAVE ALL THE PROFITS GONE ?
SIGNIFICANT OWNER DRAWINGS
SIGNIFICANT BUSINESS LOAN PAYMENTS
SIGNIFICANT INCREASE IN RECEIVABLES
SIGNIFICANT DECREASE IN CREDITORS
PRIOR YEAR TAX PAYMENTS
CAPITAL IMPROVEMENTS / NEW ASSETS
Balance sheet unfairly impacting the perceived performance of the business.

SPEND MONEY
TO MAKE MONEY.
BUT DON'T GAMBLE!

EVERYONE IS A BUSINESS

Think like one now.

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YOUR SYSTEMS ARE YOUR MACHINE

But transactions are your widgets.

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CHANGE READINESS

powered by MINDSHOP

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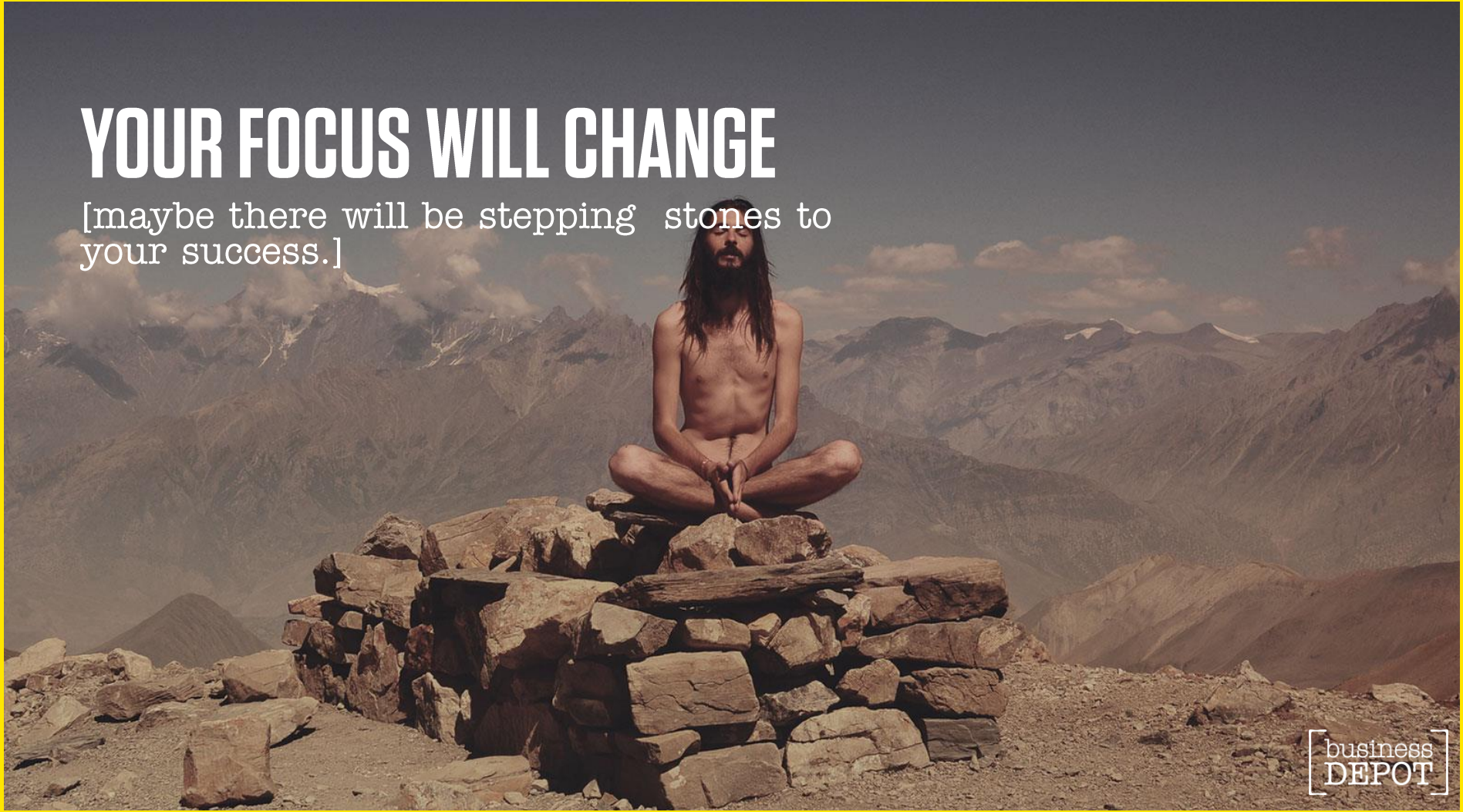
YOUR FOCUS WILL CHANGE
[maybe there will be stepping stones to your success.]
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2.0
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@JAK_Knight
WORK ON WAVES OF CHANGE
Courtesy of T-Mobile
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@JAK_Knight

THE GROWTH MATRIX	EXISTING PRODUCTS	NEW PRODUCTS
EXISTING MARKETS	Market Penetration	Product Development
NEW MARKETS	Market Development	Diversification

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THE WORKING CAPITAL REQUIRED WILL GROW TOO

DO NOT TOLERATE WASTE

1. Overproduction
2. Waiting
3. Transporting
4. Inappropriate Processing
5. Unnecessary Inventory
6. Unnecessary Motions
7. Defects

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PASSION IS CONTAGIOUS
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IF YOU ARE NOT THE LEADER WHO IS?
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@JAK_Knight
WHO IS YOUR YODA?
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ALTERNATIVELY, SETUP AN ADVISORY BOARD

[keep the bank in the loop too]

BUZZWORDS. TRENDS. FOCUS AREAS. CALL THEM WHAT YOU LIKE.

Nimble
Collaboration
Micro
Better
Disruption

#MAKEITHAPPEN

@JAK_Knight

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3 RUSSIAN BROTHERS AND THEIR COUSIN

(Courtesy of glenncapelli.com)

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YOU GET THE RELATIONSHIP FOR FREE.
[No asterisk. No clock watching. No bill for a 6 minute phone call.]
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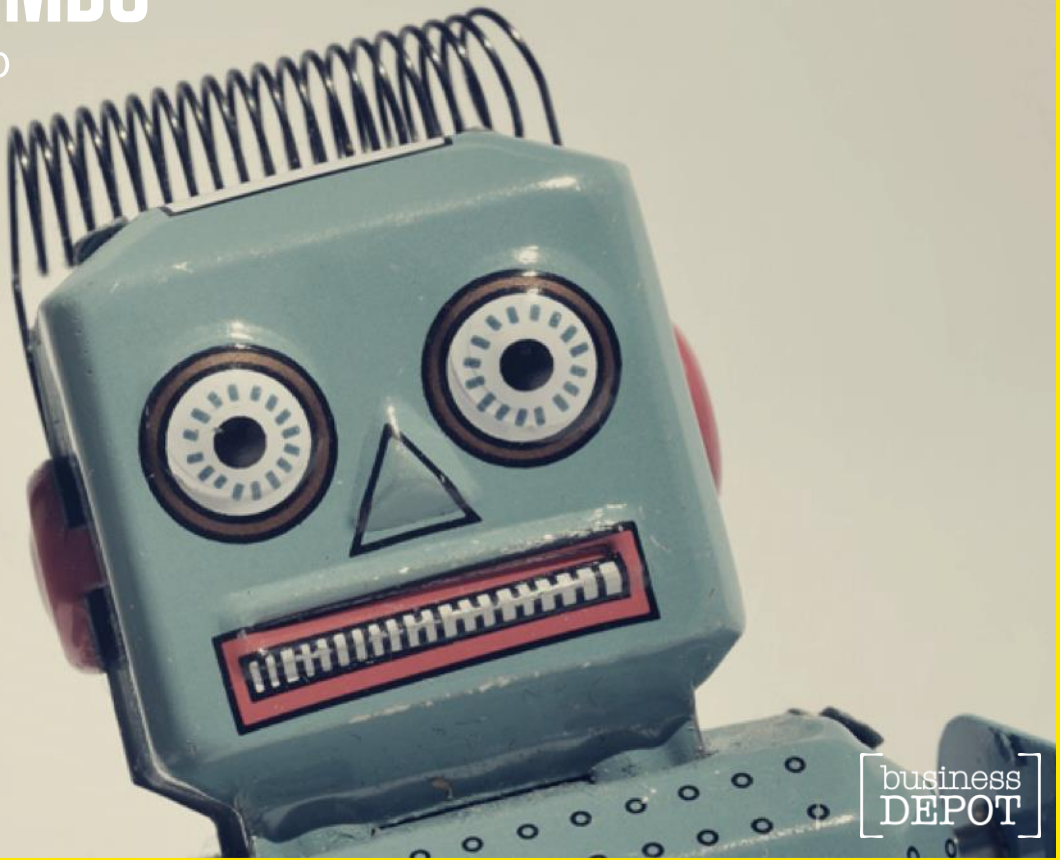
NO ROBOTIC MUMBO JUMBO

[we take a human approach to
you and your numbers]



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YOU DON'T KNOW WHAT
YOU DON'T KNOW
[that's where we come in]
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WE'VE GOT ENERGY TO BURN.
[let's share the spark]
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COMMUNITY. COLLECTIVE.
CALL IT WHAT YOU WILL.
[it's where we connect ideas & people together]
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THE COWORKING DEPOT
[previously known as ‘the coworking HUB’]
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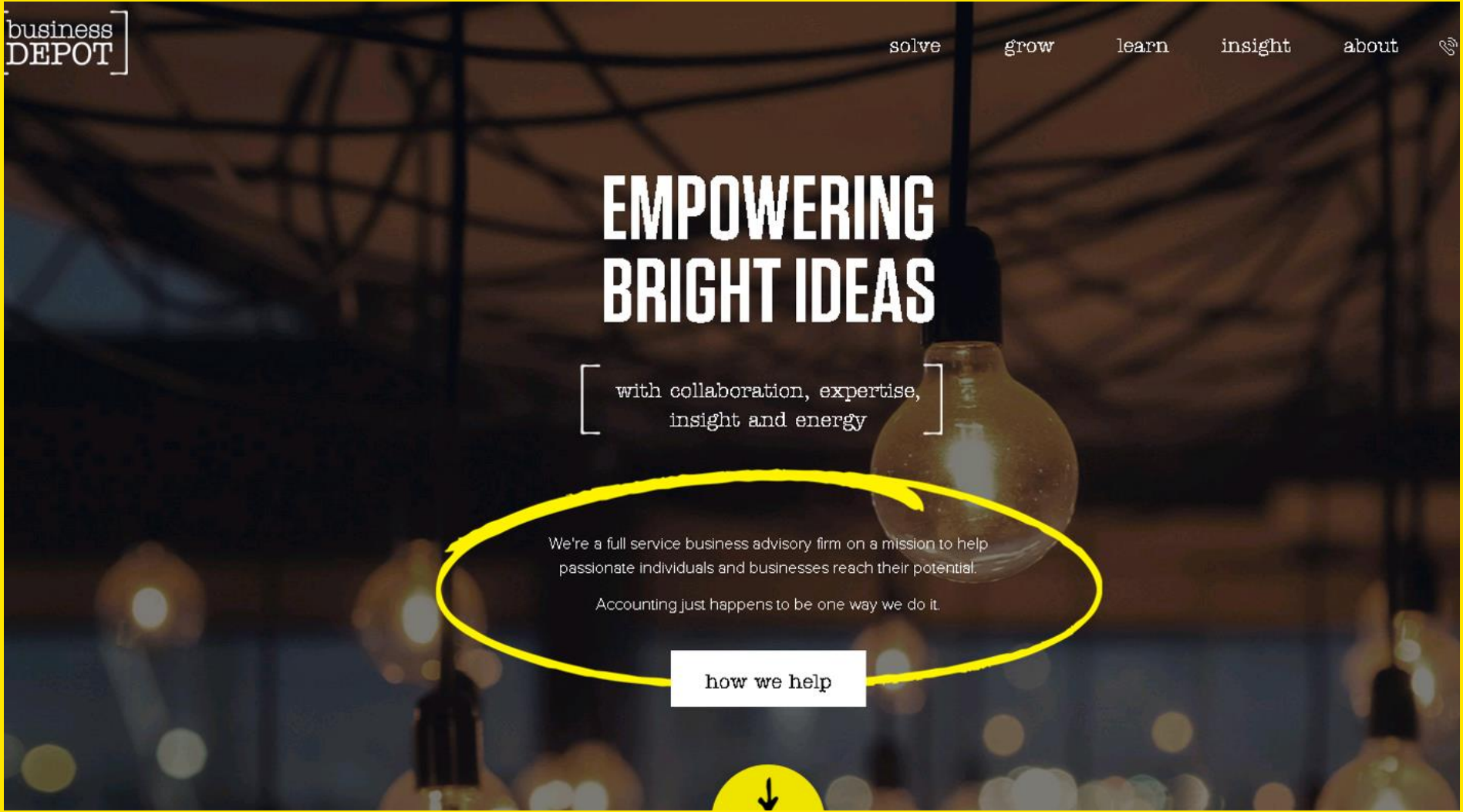

business DEPOT
solve
grow
learn
insight
about
EMPOWERING BRIGHT IDEAS
with collaboration, expertise, insight and energy
We're a full service business advisory firm on a mission to help passionate individuals and businesses reach their potential.
Accounting just happens to be one way we do it.
how we help

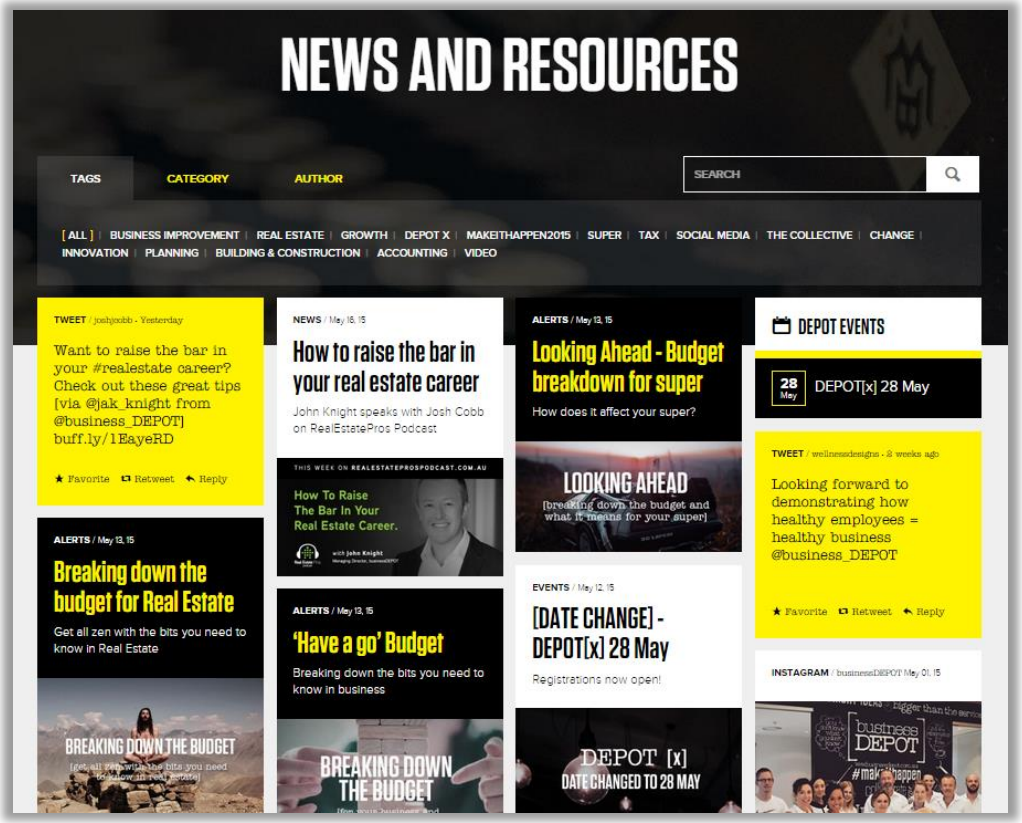
KEEP AN EYE OUT AT

BUSINESSDEPOT.COM.AU/LEARN

FOR ALL TIPS, INSIGHTS AND VALUE BOMBS

OR GIVE US A CALL ON

3193 3000 TO CHAT.



THANK YOU & YOU & YOU
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