

PLATYPUS



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# Small Business Management

Platypus Wealth  
Institute

Skills Development Courses

# SMALL BUSINESS MANAGEMENT

## INTRODUCTION

Welcome to the world of small business. It can be terrifying or terrific and sometimes both. We aim to help you make it terrific! We are going through the steps necessary to help you start a small business or in some cases, not start one.

It is just as important to know if a business is not worth pursuing as it is to know if a business is worth the effort of creating.

This course is designed to get to the heart of the issue of starting a business. It is a very practical approach that can be applied to any number of potential businesses.

It does not aim to give you total knowledge of the business environment, this would require significantly more time. However, it will give you the ability to understand the principles of the business environment and apply this knowledge in a practical way.

We urge you to read about being successful in business in your own time. Remember, it is the way you think that is the main driver for success. There are literally hundreds of books on the subject, many are easy to read and we encourage you all to get into a reading habit with them. There is also much to be said for networking with successful business people. They know the ropes, are full of enthusiasm, can give good advice and help you maintain a positive attitude.

You may also wish to complete further Small Business Management Modules which give much greater detail on the topics covered here.

**This course is a doing course. If you don't do the exercises, it will be a waste of time and you would be better off going fishing, watching a movie or spending time with your kids.**

**So it grab a cup of coffee, get the adrenalin rush and let's do**

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## WHAT YOU WILL GET OUT OF THIS COURSE

At the end of this course you will:

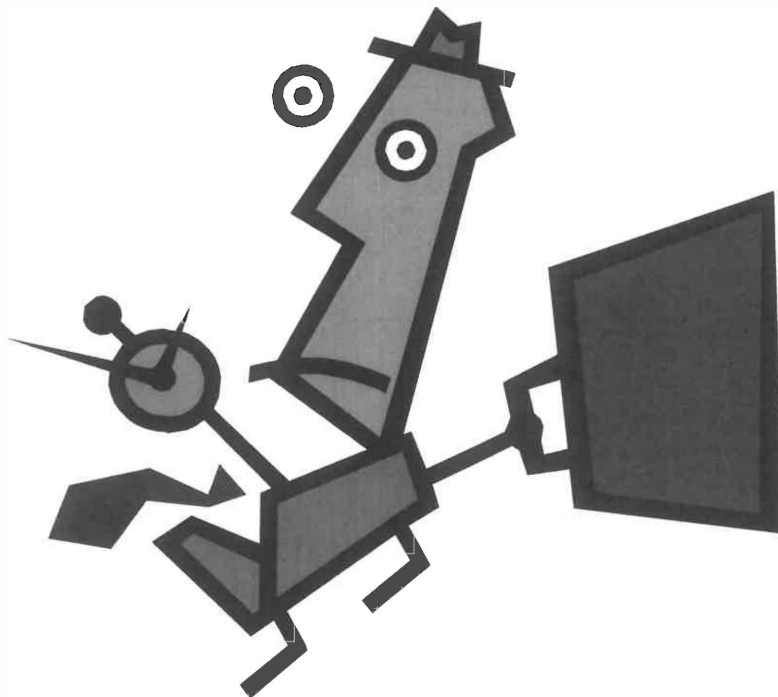
- Understand the way we think and how correct thinking is fundamental for success
- Understand why you want to go into business
- Understand how to plan for a business
- Undertake market research on your business
- Develop a business plan
- Learn about advertising and promotional strategies
- Complete the necessary financial statements for a business
- Understand the key elements for keeping a business running successfully

## COURSE LAYOUT

This course is divided into five sections:

1. The Way we Think
2. Why go into business?
3. Getting a good idea for a business
4. Planning for a business
5. Running a business

**Planning and running your business are very closely linked. You plan how to run your business and you revisit your plan and adjust it according to how your business is performing.**



## **BASIC PRINCIPLES OF BUSINESS SUCCESS**

Successful business requires that you be in the right 'head space'. This is a combination of attitude and knowledge.

### **The buck stops with you!**

- Your thoughts create your reality. Believe in yourself, if you don't, why would anybody else?
- You are responsible for everything. Throw away the time sheets; this is a 28 hour a day lifestyle.
- Take on a winning attitude from day one.
- If you expect to succeed and you follow the guidelines of this course, you will.
- Avoid the 'blame' mentality; blaming others does not pay the bills.
- If there is a problem, fix it. If it cannot be fixed, go around it. If you cannot go around it, live with it and get on with the job. Whatever the issue, think about what actions need to be taken to address it.

### **Common Sense**

Everyone has common sense. Use it. It is the great reality check.

### **Consultation**

- If in doubt, talk to someone. There is always someone, somewhere who can help. Use your common sense to track down who is the best person/s to talk to.
- In most cases, the people you need to talk to are either your customers or people who can give technical assistance, e.g. accountant.

### **Know your industry**

- Become an expert in what you do, where you fit within the industry, who are the movers and shakers, who can help you in your business.

### **Get into marketing mode**

- Everyone is a potential customer or a friend of a potential customer. Don't be shy about what you do. Let them know, have business cards etc. A lot of business gets done through social occasions.

### **Do the bookwork**

- If you don't, you are dead!

### **Manage your Money**

- You need sufficient start up capital, tight financial controls, good budgeting practices, accurate bookkeeping and accounting methods, and an underlying attitude of frugality.

***REMEMBER: MOST SMALL BUSINESSES FAIL WITHIN FIVE YEARS***

## **BASIC PRINCIPLES OF BUSINESS FAILURE**

***THE BIGGEST REASON FOR BUSINESS FAILURE ALWAYS WAS, ALWAYS IS AND ALWAYS WILL BE POOR MANAGEMENT OF YOUR THOUGHTS.***

The only attitude to have in business is one of success. If you do not believe in yourself and you do not believe in your business, how can you expect others to?

***THE SECOND BIGGEST REASON FOR BUSINESS FAILURE ALWAYS WAS, ALWAYS IS AND ALWAYS WILL BE POOR MANAGEMENT OF YOUR THOUGHTS. -WHAT, THIS AGAIN?***

You develop belief in yourself and in your business by demonstrating to yourself that the business is a good idea, by developing a clear idea on how it will work and by developing a clear picture in your mind on how you will work in the business.

***IF YOU DO NOT DO THIS, OTHER BUSINESS KILLERS EMERGE. THE MOST COMMON ARE:***

- Lack of direction. - poor or no planning.
- Impatience - unrealistic timelines
- Taking action without thinking it through first.
- Poor money management - budgeting, financial reporting, cost control and cash flow.
- Poor product quality.
- Loss of momentum in the sales department.
- Poor understanding of market trends.
- Lack of managerial ability or experience.
- Poor decision making and lack of decision making (indecisiveness)
- Poor communication and poor human relations. Personal problems and conflict with staff, suppliers, creditors and customers can easily lead to business failure.
- Poor focus - doing too many things at once

**THIS COURSE ADDRESSES THESE ISSUES.**

## le THE WAY WE THINK

All humans think in a certain way, the simplest way to describe this is called the

### ABC Model of Thinkings

<b>A</b> <b>Activity</b>	<b>B</b> <b>Belief/thought</b>	<b>C</b> <b>Consequences</b> <b>-emotions</b> <b>-body feelings</b> <b>-actions</b>
An Example: Donate \$50 to charity	helping someone	feel good about myself Feeling of lightness Will donate again
Donate \$50 to charity	they ll think I am stingy	Feel resentment IfI don't Knot in stomach Avoid situations of charity collection

When an activity, action, event or circumstance arises which is noticed by someone, it creates a belief, thought or interpretation about the activity which in tum leads to three types of consequences. The first consequence is the creation of an emotion associated with the interpretation of the event, the second consequence is a body feeling that is created at the same time as the emotion and the third consequence is the action or series of actions we decide to take in response.

This happens every time we notice something, or something comes into our awareness. **ALL OUR EMOTIONS, BODY FEELINGS AND ACTIONS ARISE DIRECTLY FROM THE WAY WE THINK.** If we want to change what is happening in our lives, the way to do this is to change the way we think.

The physical Universe has laws which govern it

### **Law of Gravity**

Every time you drop something. It falls to the ground. The Law of Gravity does not care if you are a biro or a baby, if you are dropped, you fall.

### **Law of Vibration**

Everything is made up of atoms, atoms are comprised of smaller bits such as electrons and protons. Essentially at its most basic level, everything in the universe is made up of energy. All energy vibrates at different frequencies. The reason why a biro looks like it does is because all the atoms that comprise it are vibrating at a certain frequency. The reason why we all look the way we do is for the same reason. The combination of atoms which form to make each one of us is vibrating at unique frequencies which give us our physical form.

A thought is also a measurable physical phenomenon and each thought has its own vibrational frequency.

### **Law of Attraction**

The Law of Attraction says that like attracts like. Energy is attracted to other energy vibrating at the same or very similar frequency. This occurs continuously, whether we are aware of it or not.

What is important here, is that thoughts which come from our brain are being projected into the universe and are attracting energy of a similar frequency.

If for example, we have a continuing thought about ourselves that we are dull, we are sending a message from our mind into the universe which is attracting people, circumstances and/or events which are reinforcing the energy of the thought, that is, we are dull. An example may be that we meet someone that we have little in common with, we find it difficult to make a conversation and the experience is quite dull or boring. If we have a belief about ourselves that we are dull, we are going to have the thought reinforced. If the other person does not believe they are dull, they are going to assume you are responsible for the dull experience.

However, if we have a belief about ourselves that we are exciting, this is going to attract a different type of frequency which is going to reinforce the belief that we are

**Thinking has at least two components. The first is what goes on between the ears. The second occurs via the energy we attract to ourselves by the way we think.**

## **The Nature of Thinking**

### **Thinking creates our own reality**

The important lesson from the Law of Attraction is that if we learn to manage our thought effectively, we can start to create our own reality. If we have clear, focused thoughts, they will attract energy of a like nature quickly and efficiently. If our thoughts are muddled or half formed, we will attract energy which is attracted to the confused state of mind.

### **Thoughts need the force of feeling**

Thoughts are like empty bullet shells, they have a certain degree of power when they are sent into the universe. When the thoughts are accompanied with feelings and emotions, it gives the bullet a turbo charge and the thought is a much more powerful attractor of vibrational energy.

### **Power of Positivity**

Thoughts of a positive nature are more powerful than thoughts of a negative nature.

### **Not the Negative!**

The Law of Attraction does not recognize the negative tense. If you send a thought out that you will not be late, it only recognizes the main theme of the thought i.e. late. It will attract people, events and/or circumstances which reinforce the thought that you will be late.

### **Consistency**

Thoughts need to be consistent to be effective attractors of energy. If you are continuously thinking the same thought, it will attract energy quickly.

### **Focus**

Once it becomes clear that by focussing and effectively managing your thoughts, you can create the reality you live in, it becomes very important to be aware of exactly what thoughts you are putting out into the universe and what energy you are attracting to yourself

WITH YOUR BUSINESS, WHEN YOU DECIDE ON YOUR GOALS, THEY MUST BE WELL THOUGHT THROUGH, FOCUSED AND LOGICAL. IF YOU MANAGE YOUR THINKING, THESE ARE WHAT YOU ARE GOING TO ACHIEVE.

We will talk about setting goals again later in the course.



## 2e WHY GO INTO BUSINESS?

It is important to have a realistic understanding of your own reasons for going into business so that you can set your personal goals of what you want to get out of it. It is also important to know what you are getting yourself into.

What do you hope to get out of being in a business?


*Prompts: lifestyle; money; prestige; being your own boss*

What do you think are the difficulties associated with having a business?


*Prompts: poverty; cashflow problems; high debt; long hours; no social life*

What personal and family needs will/will not be met?	
Will be met	Will not be met

*Prompts: Working together; building something as a family; chance to learn new skills; less recreation time together; always in each other's pocket*

Overall, what are the wins and losses associated with going into business for you?

Wins	Losses

*Prompt: list positives and negatives side by side*

How are you going to manage/ balance your personal and business commitments?

*E.g. time management; prioritise tasks*

<b>Overall Statement of Intention to Go into Business</b>
I intend to go into business to ...
I recognise that this will change the way I am currently living my life. Some things I currently enjoy will no longer be available in the same way. These include..
Some things I currently do not enjoy will be reduced significantly or disappear. These include..
In five years time as a result of going into business, I will be ...

**If you have demonstrated to yourself that going into business is an overall win for you, the next step is to get a good business idea®**



## GETTING A GOOD IDEA FOR A BUSINESS

Most people are currently doing something else with their money. What are you going to come up with that will change this? Good business ideas don't fall off trees. They require hard work, investigation, testing and perseverance. In this section, we want to give you a basic process for identifying and polishing your business idea, which we will test in detail later on.

### Concept of the Business

What is needed/wanted by the community/market?


*Prompt: think of your business idea in terms of what you think the potential customers want and what you think they need.*

How much are they willing to pay?


*Prompt: how much could you charge before customers resist buying because it is too expensive (different customers may be willing to pay different prices)?*

What is the competition like?


*Prompt: who else is in your business, what are their strengths and weaknesses?*

How did you find the above information out?


*Prompt: I guessed/ a mate told me/ saw it on television; read a research report etc*

Form of Business

How do you anticipate you will set up the business?


*Prompt: start from scratch; buy existing; solo/partnership/corporate/franchise/  
part time/full time; single/multi location*

Size and Staffing of Business

What size and staffing will the business have initially?


*Prompt: no staff, part time staff, casuals, micro small (<5); small, medium*

Finance of the Business

How expensive will it be to get into the business?


*Prompt: money for capital expenses; no money to survive until you get an income*

How will you finance the business?


*Prompt: own money, bank loans, go busking etc.*

Business and Legalities

What are some of the legal aspects of your business that you will have to address?


*Prompt: licenses, potential liabilities; OHS; copyright; contracts; regulations etc*

You and the Business

What do you know personally know about this type of business?


*Prompt: areas you know about and areas where you need to find out more*

Will you enjoy this type of business?


*Prompt: Has the business an image you are comfortable with? Does the business suit your personality?*

Success Factors in Small Business

These are common success factors in small business. Rate yourself on these in terms of the business you are about to go into.

Success Factor	Self rating 1= lousy 2= not bad 3= great
Believe in your own abilities/confidence	
In it for the long haul ( often the benefits of business take years to really pay off)	
High level of enthusiasm and drive	
Have a solutions approach to problems	
A doer, know how to take action	
Risk taker (based on knowledge)	
Take the initiative, have a go	
A decision maker	
Well focussed, sets clear goals	

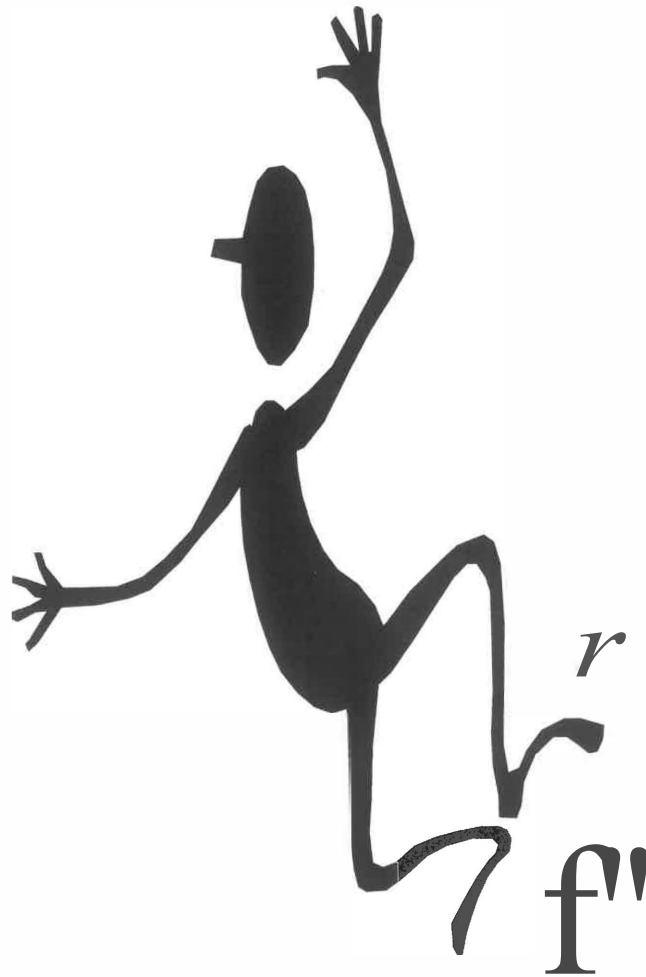
*If you are weak in any of these areas, you will need to work on them.*

What are your/your partner's strengths and weaknesses for this type of business?

Strengths	Weaknesses

*Prompts: good with people, love doing bookwork; little knowledge of the industry at present etc*

**If the preliminary estimate of your business concept suggests it may be viable and you want to proceed, then it is time to do some serious planning and investigation.,**



**But first, get another cup of coffee, take the dog for a walk, scream at the neighbours or do whatever you need to give yourself a breako**



### 3. PLANNING FOR A BUSINESS

Just about everybody plans. We plan our next holiday, we plan who we want to come around for dinner, who we don't want to come around for dinner, when we will buy a car etc.

If we can plan for a holiday, we can plan for a business as well. The principles are simple, it just takes a little longer.

#### *Principles of planning- The/our Cs*

- Common sense
  - ◆ Be realistic - about how much you can achieve, your income, expenses etc
  - ◆ Anticipate changes and be adaptable to meet them
  - ◆ Plan for growth based on the resources you have
- Consultation
  - ◆ Know when you need expert advice
  - ◆ What do customers think, does this change over time
- Coherent
  - ◆ Make sure the whole thing makes sense and flows.
  - ◆ Check your results against your objectives and performance measures
- Commit to paper
  - ◆ We do some of our best planning around a table with friends and a bottle of red. Many great ideas come from this, but are often lost because we do not write them down.
  - ◆ At the other extreme, plans can make good doorstops if they are too big; there needs to be a balance.

#### *Types of Plans*

There are lots of different types of plans and there are a lot of different names for plans, e.g. Corporate, Strategic, Functional, Project Definition, Scoping, Concept Development, Community Development, Business Development, Feasibility, Business, Operational, Annual, Marketing, Organisational, Project Development Plans etc.

Don't Panic! We are only concerned with planning which relates to small business

The planning elements which are the most important for a small business are:

*A. The feasibility of the concept in the short and long term*

- Is the concept feasible, how should the concept be developed? Estimate the costs of gaining a profit and determine if the concept is worth the effort.
- Where is the business going in the longer term and can we get it up and running in the short term

*B. How you are going to operate the business*

- What systems, organisational structure, procedures, staffing etc. will you need

*C. How you are going to market the business*

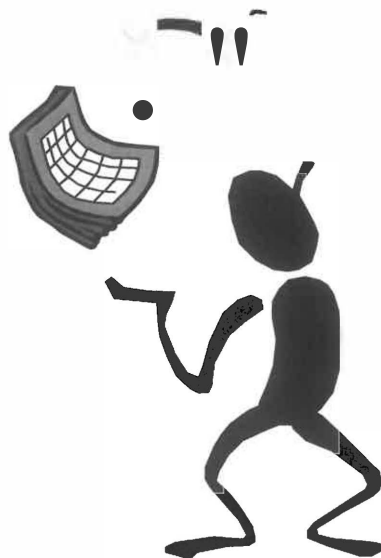
- Identifying the market and tailoring advertising and promotions to the right people at the right time

*D. How the business is to be financed*

- What start up capital is needed
- What cash flow is expected etc.

To cover these issues, we will develop a Business Plan with four closely linked parts:

- Basic feasibility of business
- Operational plan
- Marketing plan
- Financial plan



These will be integrated into the following format. You may need the smelling salts handy when you first see the content, but don't worry, at the end of the course, you will have completed all parts of this plan.

## **BUSINESS PLAN CONTENT**

### **EXECUTIVE SUMMARY**

#### **INTRODUCTION**

- Background
- Name of Business
- Structure of Business
- Personnel of Business
- Location of Business
- Description of business
- Unique factors
- Summary of Feasibility
- Funds required
- Expenditure of borrowed funds
- Loan Repayment Strategy

#### **OPERATIONAL PLAN**

- Basic Business Definition
- Mission & Objectives
- Goals/Objectives
- Strategies
- Performance measures
- Management and Organisational Structure
- Roles & Responsibilities
- Organisational SWOT
- Production processes

#### **MARKETING PLAN**

- Overview of area of operation
- Overview of industry
- Future prospects
- Market Demand
- Market Supply
- Market Barriers
- Competitors
- Market Assumptions
- Market Niche
- Market share
- SWOT Analysis and Opportunity Ranking
- Advertising and Promotions

#### **FINANCIAL PLAN**

- Establishment Costs & Funds
- Assets and Liabilities
- Personal assets and liabilities
- Financial Assumptions
- Breakeven analysis and performance measures
- Sales forecasts
- Sales and Debtor analysis
- Cashflow analysis
- Annual profit budget
- Personal Budget

## ELEMENTS OF THE PLAN

The first section of the plan gives the reader a description of what your business is.

### EXECUTIVE SUMMARY

This is a brief summary of the whole plan. Executive summaries are what most people read and it is very important to make sure it tells a good story about your business. For example, many Business Plans are used to obtain finance and the people handing out the funds need to have a good understanding of what the business is about. This is written after you have completed the rest of the plan.

#### Introduction


Prompt: briefly tells what the *business* concept is and how you came upon it)

#### Name of Business


Prompt: legal and trading names. A good trading name will tell what the business is about, or be catchy and make an impact.

#### Structure of Business


E.g. sole trader; partnership; registered company

#### Personnel of Business


Who will operate the business?

#### Location of Business


### Description of business


*Prompt: the description lets the reader form a good picture of what the business is, what it sells, who its main market is etc.*

### Unique factors


*What makes this business different from everyone else's? What is your angle?*

### Summary of Feasibility


*The key factors that make this business viable*

You may wish to add other information to the executive summary according to the needs of different readers e.g. a section on how much money you wish to borrow, if the reader is the bank manager.

## OPERATIONAL PLAN

This plan tells what your goals are and how you are going to operate the business.

### Basic Business Definition


*What business are we really in? eg training restaurant - is this a restaurant where we do training or a training facility where we try and offload the culinary triumphs of students?*

### Puroose/Mission/Vision


*Why are you doing this? e.g. to feed people; train people to cook, serve etc*

### Goals/Objectives


*What will you be doing? (consider what resources you have when you do this)*

Also remember that you will have at least two of your objectives relating to marketing and finance, which we will examine in detail later on.

### Strategies



*How are you going to do it? (Each objective will have strategies)*

Performance measures


*How many tasks have been done by the person responsible in the timeframe set?  
 These are guideposts that let you know you are on the right track to achieving your objectives or if you need to relook at what you are doing"*

**WHEN YOUR BUSINESS  
PLAN HAS BEEN  
COMPLETED AND YOU  
ARE READY TO  
OPERATE YOUR  
BUSINESS, THE  
FOLLOWING TEMPLATE  
SHOULD BE PUT ON THE  
WALL NEXT TO YOUR  
DESK, IN THE TOILET OR  
WHEREVER YOU ARE  
LIKELY TO READ IT.  
IT IS THE BLUEPRINT OF  
WHAT YOU WANT TO  
ACHIEVE FOR YOUR  
BUSINESS FOR THE  
NEXT 12 MONTHS.**



**Noorla Tours – Business Plan 2.1. – 12**

**PURPOSE STATEMENT**

Promotion of the Great Tropical Drive Region to the world.

**VISION**

World Class Tours in Hinchinbrook

<b>Product Development</b>						
<b>Objective</b>	<b>Strategy</b>	<b>Outcome</b>	<b>Time Line</b>	<b>Activities</b>	<b>Indicators</b>	<b>Responsibility</b>
To develop a range of products which are informative, entertaining authentic and have wide market appeal.	Develop a suite of guided tours.	Authentic tours suit the needs of a range of market segments.	Sept 2011	Complete identification of walking and driving tours.	Historical walk in Ingham area mapped out; one driving tour to Wallaman Falls identified. Tyto Wetlands walk scripted and maQped o!!!.	
			March 2009	Develop two drives tour incorporating a mix of historical and natural places of interest	Tour routes and special sites identified.	
	Develop a series of books for sale.	High quality books which promote the Great Tropical Drive and market the business.	Nov 2012	Develop a coffee table pictorial book	No of books printed	
<b>Business Development</b>						
<b>Objective</b>	<b>Strategy</b>	<b>Outcome</b>	<b>Time Line</b>	<b>Activities</b>	<b>Indicators</b>	<b>Responsibility</b>
To develop Noorla Tours into a successful tourism business.	Develop an appropriate business structure for the venture.	Noorla Tours has the capacity to be sustainable over time.	August 2011	Research a structure which reflects product development and product delivery.	Core values, Vision, Mission updated	
	Implement a Strategic and Business Planning process for Noorla Tours.	Clear purpose and direction for Noorla Tours over a three-year period.	August 2011	Complete a Business Plan for the next three years.	Plan completed.	
			Sep 2012	Review Qlans annually.	Plans updated on time.	
To implement effective and efficient administrative support systems to support all facets of the organization.	Develop and maintain a Policies and Procedures Manual.	Clear directions with Noorla Tours policies.	Oct 2011; Ongoing	<ul style="list-style-type: none"> <li>Develop an industry specific Policies and Procedures Manual</li> <li>Review Policies and Procedures Manual annually</li> </ul>	All tasks held on time.	
	Develop effective working relationships with partner organizations/groups.	Joint initiatives run fairly and smoothly.	June 2011	Develop an MOU/s with all partners on joint initiatives e.g. accommodation houses.	MOU specifies all aspects of the relationship.	
				Determine other possible organizations and opportunities where joint arrangements can be beneficial to Noorla Tours.	The no and quality of organizations/individuals and opportunities identified	

EXAMPLE OF AN OPERATIONAL PLAN TEMPLATE (Other programs include Marketing, Finance, Human Relations etc)

### Management and Organisational Structure


*Who will be managing the business, what is their experience, what is the organisational structure and reporting mechanisms?*

### Roles & Responsibilities

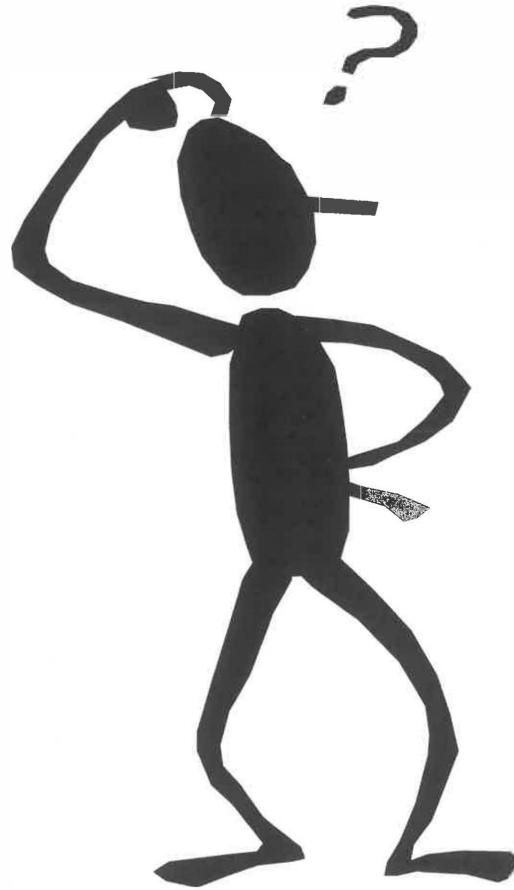

*Outline the roles needed to cover all aspects of the business, what are the responsibilities of these roles and who will do them.*

Organisational SWOT

Strengths	Weaknesses
Opportunities	Threats

*What are the strengths, weaknesses, opportunities and threats to your organisation e.g. lack of technical skills, old equipment, industrial unrest, work based agreements; training funds available.*

Still with us? Not dreaming of taking off to a deserted island, away from the cares of the world?



Perhaps it would be a good time to have a tasty snack, a small siesta, a few push ups or an invigorating rune

## MARKETING PLAN

What is marketing? It is definitely much more than just selling. Basically, marketing is about getting a good match between what you have to offer and what people want at a price they are willing to pay and at a place where they can get it easily. In other words, if you market well, you have satisfied customers and that makes the selling part easy.

### The 4 Ps of Marketing

- ◆ PRODUCT- have a product people want
- ◆ PRICE- set a price people will pay
- ◆ PROMOTION- promote the product to the right people
- ◆ PLACE- have your product in a place which your market can access

To get the right product at the right price in the right place for the right people you have to do some good market research or be incredibly lucky.

IF YOU GET IT RIGHT NOW, YOU MAXIMISE YOUR CHANCES OF MAKING MONEY. IF YOU GET IT WRONG, YOU WILL PROBABLY DO YOUR DOUGH/LOSE YOUR LOOT/SHRINK YOUR SAVINGS BIG TIME!

### Market Research Tips

- *Who is your market, what are the major groups, what are their characteristics*
- *Who are your major competitors, what are their strengths & weaknesses and how are they not meeting the needs of the market at the moment*
- *What is the size of your market and the potential for growth*
- *How can you enter the market, what are the requirements*
- *What is the current state of the industry you are in and future trends*
- *What are the common characteristics of your different market groups*
- *How do your markets perceive or understand your product*
- *Do some test marketing*
- *What methods will you use - questionnaires, telephone, focus groups*
- *Will you do it yourself or get outside help*
- *How will you maintain your research over time*
- *What is your competitive advantage*
- *What sales do you need to break even*
- *Have you enough customers for this*
- *What is the cost of the sale of your product*
- *Where will you advertise*
- *How will you package your product*
- *How will you distribute your product e.g. direct sales, wholesalers, retailers*
- *What features of the product will you emphasise*
- *Which customer groups will you target first for advertising and promotion*

Overview of area of operation


*Where are you based, what are the characteristics of the area e.g. tropics, large population centre nearby.*

Overview of industry


*What are the characteristics of the industry - is it in a growth phase, labour intensive etc.*

Future prospects


*What are the long-term prospects for the business e.g. mining town with limited lifespan?*

### Market Demand


*What are your markets, what is the demand for your product/s, when, under what circumstances e.g. seasonal?*

### Market Supply


*Is your product in short supply? Why?*

### Market Barriers


*What are the barriers for you to get into your market e.g. costs, difficult to contact market groups etc?*

Comiqetitors


*Who are you competing against? Are they good operators, are they meeting the demand well, what are their weaknesses and strengths, % of market share etc*

Market Assumptions


*What assumptions have you made about your market e.g. disabled will travel if places are accessible; kids will want to learn in culturally appropriate environments etc*

Market Niche


*What is your niche? e.g. seniors groups; overseas students, short people etc.*



SWOT Analysis and Opportunity Ranking

<b>SWOT ANALYSIS</b>	
Proposed Business:	
<b>Internal environment (within your control)</b>	
<b>STRENGTHS (of the business)</b>	<b>WEAKNESSES (of the business)</b>
<b>External environment (outside your control)</b>	
<b>OPPORTUNITIES (tor the business)</b>	<b>THREATS (to the business)</b>

Prompts  
 Strengths: product knowledge; people skills; computer skills etc.  
 Weaknesses: limited funds/ poor location/ limited size  
 Opportunities: new customer in town/ good networks; economy strong  
 Threats: change in legislation; new competition; population change

Opportunities to be followed up in order of priority


Advertising and Promotions

Advertising strategies	Promotional Strategies

*Prompt: who and where are your target markets; why and where do they want your product to be.*

THESE STRATEGIES WILL GO INTO YOUR OPERATIONAL PLAN.

## FINANCIAL PLAN

If you don't like dealing with figures or doing the finances, bad luck, because if you want to go into business and stay in it, you will have to get on top of the finances. This does not mean that you have to become an accountant or lose your sense of humour, it does mean you have to become organised with your finances, understand what it all means and be able to act accordingly.

Luckily, when we break it down into small steps, finances are quite easy.

***SO DON'T PANIC!***

**It is definitely time for some more caffeine!**

A basic financial plan wants to show how you are going to finance the business and work out whether all the effort you are going to put into it will be worth it (the profits).

It covers the following areas:

<i>A. Establishment Costs &amp; Funds</i>	What it is going to cost to establish/purchase the business and where you are going to get the funds?
<i>B. Business Assets and Liabilities</i>	Assets are items of value <u>owned</u> by the business which are used to make a profit and liabilities are items of value <u>owed</u> by the business to someone else.
<i>C. Personal assets and liabilities</i>	Assets are items of value owned by yourself which are used to make a profit and liabilities are items of value owed by you to someone else.
<i>D. Financial Assumptions</i>	The assumptions you have made to estimate your income and expenditure
<i>E. Break Even Point</i>	The number of sales required to cover all operating costs and the cost of goods sold.
<i>F. Financial Performance Measures</i>	There are a range of measures called financial ratios which help you to determine the health of your business
<i>G. Investment ratios</i>	Determine whether the money and time you are spending on this business is as good or better than the return that you could get doing something else or investing somewhere else.
<i>H. Stability Ratios</i>	Shows how stable the business is financially.
<i>I. Profitability Ratios</i>	Give an indication of the profitability of the business
<i>J. Liquidity Ratios</i>	1. Current ratio tells you whether you have enough current assets to pay for your current liabilities 2. Quick ratio shows if you can meet short term debts.

## Promotion and Advertising tips

- *what image do you want to convey*
- *presentation issues*
- *copyright/intellectual property issues*
- *brandpackaging*
- *joint marketing e.g. franchise, regional*
- *where to get help with promotion.s*
- *word of mouth*
- *advertising in*
  - *magazines*
  - *journals*
  - *yellow pages*
  - *letter drops*
  - *leaflets and brochures*
  - *cold calls*
  - *radio*
  - *billboards*
  - *signs*
  - *point of sale displays*
  - *industry functions*

- *Jami/es*
- *newspapers*
- *editorial articles*
- *stationery and give aways*
- *business cards*
- *internet*
- *window displays*
- *car signs*
- *uniforms*
- *publicity stunts*
- *freebies to charities etc*
- *telemarketing*
- *retail outlets*
- *competitions*
- *sports sponsorship*
- *blimps*
- *discount vouchers e.g. AVIS, VIP*
- *taxis, buses*
- *community groups*
- *educational displays*
- *posters*
- *cinema*

### *Advertisements*

Need to be where your customers will see it

Need to be noticed

Interesting enough to make your customer want to read it

Clear enough for them to understand it

Catchy enough that they remember it

Enticing enough that they want to act on it

Advertising is an area where you can spend some serious money and get nothing back from it at all. It pays to be selective and wherever possible, ask customers how they heard about you.

**It's time to tackle the detail. Take a deep breath and let's get into it**

*A. Establishment Costs & Funds*

What it is going to cost to establish/purchase the business and where you are going to get the funds?

Establishment costs	Value\$	Source of funds			Payable when	Total
		1	2	3		

*B. Business Assets and Liabilities*

Assets are items of value owned by the business which are used to make a profit and liabilities are items of value owed by the business to someone else.

Business Assets ( <i>list</i> )	Value\$	Business Liabilities ( <i>list</i> )	Value\$

*e.g. car, equipment* *e.g. bank loans; unpaid stock*

*C. Personal assets and liabilities*

Assets are items of value owned by you! and liabilities are items of value owed by you to someone else.

Personal Assets <i>(list)</i>	Value\$	Personal Liabilities <i>(list)</i>	Value\$

*e.g. house, car, furniture*

*e.g. personal loans, higher purchases*

*D. Financial Assumptions*

These describe the assumptions you have made in your income and expenditure estimates e.g. we will have 20 customers per day, spending \$3 each; we will sell 20 computers a week etc

List the financial assumptions here

### *E. Breakeven Point (Sales)*

The following definitions and formulas will help you to calculate the number of sales you will need to cover all your expenses (operating expenses and cost of goods sold) i.e. to break even

**Sale price** - "what you can squeeze out of a customer before you make them cry". That is, what will the customer pay for our product per item (or per hour). There is always a level of 'buyer resistance' which we want to get close to, but not reach and at the same time be competitive with other businesses/services.

**Production cost**- What does it cost you directly to produce the goods/services on a per item or per hour basis? This refers only to the costs associated with producing the product or service to the point where you are ready to sell it. e.g. materials used to produce something, employee wages if they directly produce the goods

The *GROSS PROFIT* of a business is the difference between the sale price per item or hour and the production cost per item or hour.

*Gross Profit = Sale Price - Production cost*

You then need to calculate the GROSS PROFIT MARGIN, using the following formula

$$\text{GROSS PROFIT MARGIN} = \frac{\text{Gross Profit per item/hour}}{\text{Sale Price per item/hour}} \times \frac{100}{1}$$

If the gross profit margin is very low, it suggests the business is not viable.

### **Overheads**

Overheads refer to the costs associated with running a business, excluding the costs directly involved in producing the product or service. They include: accountancy and professional fees; advertising and promotions; bank charges; cleaning; commissions ; credit card fees; discounts allowed; donations; electricity; fees and licenses; freight; gas; insurance; interest paid; lease repayments; legals; motor vehicle expenses; postage; printing/stationery; rent; repairs and maintenance; sales tax; security; subscriptions; superannuation; telephone/fax; training costs; travel expenses; wages (gross) etc.

### **Obligations**

These are loan principal payments and tax payments

## **Reserves**

Reserves are needed to cover unexpected expenses or situations that might arise in business e.g. bad or unpaid debts. A good benchmark to aim for is enough non committed cash in the bank to cover two months of expenses.

Reserves are also required for depreciation purposes. This is often neglected by business and leads to serious cashflow problems at a later date if money is not put aside for this purpose.

To determine the amount you should put aside for depreciation, list your plant and equipment, estimate how long they will last before replacement (in months); how much they will cost to replace and determine a monthly figure to put aside using the following formula:

$$\text{Monthly amount to set aside} = \frac{\text{Replacement cost of plant/equipment}}{\text{Life of plant/equipment in months}}$$

## **Drawings**

This is the amount of money you will need to take out of the business to meet your personal expenses and obligations.

## **Profit**

This is the amount of money you make above your living expenses. Profits will vary over time, usually improving as the business gets established. Some notional profit level needs to be estimated.

Remember, the Break Even Point is the number of sales required to cover all operating costs and the cost of goods sold. The formula is

$$\text{Break Even Sales} = \frac{\text{Overheads} + \text{Loan Repayments} + \text{Drawings}}{\text{Gross Profit Margin}}$$

**You will use the following Sales Forecast sheet to calculate these amounts.**



SALES FORECASTS 8 YEARS							
			1	Year1	Year2	Year3	Year8
		%					
RECEIPTS	CASH	door sales					
		office rents					
		meals					
		alcohol/beverages					
		from debtors					
		other sources eg facility hire, grants					
		TOTAL INFLOW (A)					
PAYMENTS OUTFLOW							
TRADING	Cash Purchases	food purchases					
		artefact purchases					
		training materials					
		alcohol/beverages					
	To Creditors	commissions					
		discounts					
OVERHEADS		advertising					
		bank charges					
		cleaning					
		credit card fees					
		electricity					
		gas					
		fees & licenses					
		insurance					
		vehicle lease					
		legal/professional fees					
		motor vehicle expenses					
		postage					
		telephone/fax					
		printing/stationery					
		repairs/maintenance					
		rates					
		depreciation-furniture					
		expendables					
		travel expenses					
		gardening					
		wages and on costs					
OTHER ITEMS		Purchase of fixed assets					
		new acquisitions					
		tax payments					
		other payments-reserves					
TOTAL OUTFLOW							
NET CASH FLOW							
OPENING BALANCE							
FUNDS AVAILABLE							
BREAK EVEN SALES							

When they are completed, place them in the following table to calculate the break even sales required

annual business overheads		
annual loan repayments		
annual personal drawings		
Gross profit margin		
Sales for 12 months		
Cost of goods sold for 12 months		
Gross profit (sales - cost of goods sold)		
Gross Profit Margin = $\frac{\text{gross profit}}{\text{sales income}}$		
Break Even Sales = $\frac{\text{Overheads} + \text{Loan Repayments} + \text{Drawings}}{\text{Gross profit margin}}$		

To determine how much product or hours you have to sell, divide the answer by the sale price. Is this achievable over the year? You can also calculate this on a monthly basis to determine the number of break-even sales each month.

### Desired break even sales

This tells you how many sales are needed to make the business profitable and sustainable over time. The formula is the same as for basis break-even sales except that you also need to add in the reserves you wish to put away and the profits you anticipate making:

$$\text{Break even sales} = \frac{\text{Overheads} + \text{Loan Repayments} + \text{Drawings} + \text{Reserves} + \text{Profit}}{\text{Gross Profit Margin}}$$

This figure should be double the basic break-even figure or more.

### Capacity

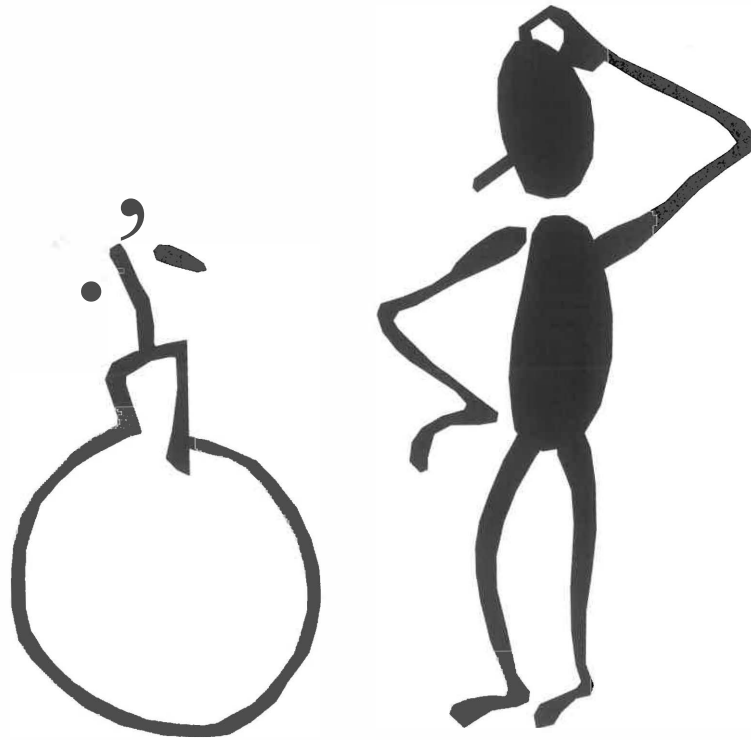
This is important to keep you from flying off into fantasy land on how much you can produce/sell in the year.

Size of market -how many sales can we get in the first, second and third years. This will vary as you build up your market share and sales, it is often overestimated, particularly in the first years

Production capacity -what is your ability to produce your goods or services in a specified time period.

Do you have the capacity to meet your basic break even sales? If so, you are potentially viable. Do you have the capacity to meet your desired break even sales? If so, you may be on a winner. If not, it's back to the drawing board.

**TIME FOR ANOTHER CUP OF TEA, OR POSSIBLY SOMETHING STRONGER!**



*Financial Performance Measures*

There are measures called financial ratios which help you to determine the health of your business. (If you are buying an existing business, it is important to examine these ratios over a number of previous years to be able to understand the financial trends of the business.)

At this stage the deserted island is probably looking pretty attractive. We don't have too far to go. This section is a bit of fiddling around, but it is useful for you to have an understanding of the measures.

The ratios we will look at address different aspects of the business.

### *Investment ratios*

Basically these ratios determine whether the money and time you are spending on this business is as good or better than the return that you could get doing something else or investing somewhere else. (It is a major disappointment to discover that you could have done half the work and got twice the money somewhere else.)

$$\text{Return on investment (\%)} = \frac{\text{net profit} - \text{owners salary (if any)}}{\text{owners equity at beginning of financial year}} \times \frac{100}{1}$$

### *Stability Ratios*

This shows how stable the business is, based the amount of equity the owner has as opposed to the amount of money owed.

The formula is:

$$\text{Owner ratio} = \frac{\text{owners equity}}{\text{Total assets}} \times \frac{100}{1}$$

The higher the ratio, the more stable the business is likely to be.

### *Profitability Ratios and Break Even Point (Sales)*

These ratios give an indication of the profitability of the business and include:

$$\text{The gross profit percentage} = \frac{\text{gross profit}}{\text{Sales}} \times \frac{100}{1}$$

$$\text{Total expenses percentage} = \frac{\text{total expenses}}{\text{Sales}} \times \frac{100}{1}$$

### *Liquidity Ratios*

#### Currency ratio

Basically currency ratio tells you whether you have enough current assets to pay for your current liabilities

$$\text{The formula is: } \frac{\text{Current Assets}}{\text{Current liabilities}}$$

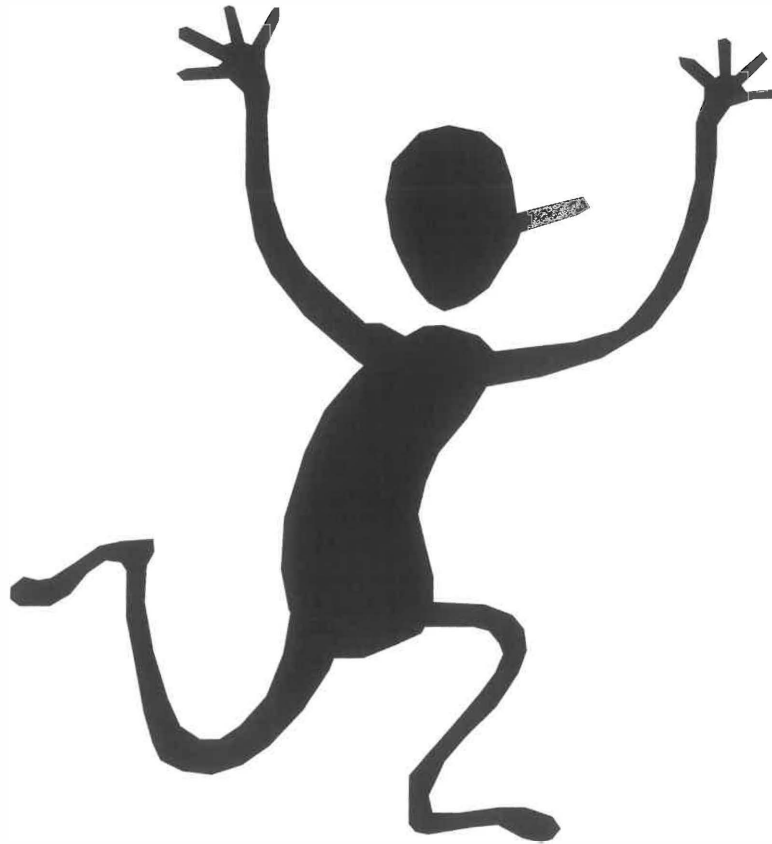
#### Quick ratio

The currency ratio does not give you an idea of whether the business can meet short term debts, the formula for this is the Quick Ratio. It helps to determine the liquidity

of the assets and removes stock at hand from your overall assets, based on the idea of being able to sell your stock quickly (even at a loss) to meet short term debts.

Consequently, the formula is; 
$$\frac{\text{Current Assets} - \text{stock}}{\text{Current liabilities} - \text{overdraft}}$$

HOW IS THE BUSINESS SHAPING UP? HOPEFULLY YOU ARE ON A WINNER!



The next sheets are templates to calculate the following financial elements:

- Cashflow analysis
- Annual profit budget
- Sales and Debtor analysis
- Personal Budget

Much of the information can be obtained from previous calculations.

12 MONTH CASHFLOW			Year	Month	Month	Month	Month	Month	Month	Month	Month	Month	Month	Month	Month
			1	1	2	3	8	5	9	7	8	9	10	11	12
RECEIPTS	CASH	training programs													
		office rents													
		meals													
		alcohol/beverages													
		from debtors													
		other sources eg facility hire, grants capital injection													
		TOTAL INFLOW (A)													
PAYMENTS OUTFLOW															
TRADING	Cash Purchases	food purchases													
		artefact purchases													
		training materials													
		alcohol/beverages													
	To Creditors	commissions													
		discounts													
OVERHEADS		advertising													
		bank charges													
		cleaning													
		credit card fees													
		electricity													
		gas													
		fees & licenses													
		insurance													
		vehicle lease													
		legal/professional fees													
		motor vehicle expenses													
		postage													
		telephone/fax													
		printing/stationery													
		repairs/maintenance													
		rates													
		depreciation- furniture/fittinas expendables													
		travel expenses													
		gardening													
		wages and on costs													
OTHER ITEMS		Purchase of fixed assets													
		new acquisitions													
		tax payments													
		other payments- reserves													
TOTAL OUTFLOW															
NET CASH FLOW															
OPENING BALANCE															
FUNDS AVAILABLE															
BREAK EVEN SALES															

ANNUAL PROFIT BUDGET			
		Year1	Year2
<b>Sales</b>			
door sales			
office rents			
meals			
alcohol/beverages			
shop sales			
<b>Total Sales</b>			
<b>Less Direct Costs</b>			
Materials Used			
-food purchases			
-artefact purchases			
-alcohol/beverages			
commissions			
discounts			
Direct labour			
Sub-contractors			
<b>Cost of Goods Sold</b>			
Gross Profit			
Gross Profit %			
Other Income			
<b>NET INCOME</b>			
advertising			
bank charges			
cleaning			
credit card fees			
electricity			
gas			
fees & licenses			
insurance			
vehicle lease			
legal/professional fees			
motor vehicle expenses			
postage			
telephone/fax			
printing/stationery			
repairs/maintenance			
rates			
depreciation-furniture/fittings			
expendables			
travel expenses			
gardening			
indirect labour			
bad debts			
<b>TOTAL OVERHEADS</b>			
<b>NET PROFIT BEFORE TAX</b>			

SALES AND DEBTOR ANALYSIS YEAR 1

OPENING DEBTORS															
SALES	\$	%	Month 1	Month 2	Month 3	Month 8	Month 5	Month 9	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Closing Debtors
Month 1															
Month 2															
Month 3															
Month 8															
Month 5															
Month 9															
Month 7															
Month 8															
Month 9															
Month 10															
Month 11															
Month 12															
Total Sales															
	Cash Inflow														



PERSONAL BUDGET		
A FIXED EXPENSES	\$ per month	
House payment		
Car payments		
Credit Card		
Loan Payments		
Health insurance		
Life insurance		
TOTAL A		
<b>HOUSEHOLD EXPENSES</b>		
Telephone		
Gas		
Electricity		
Water		
Repairs & Maintenance		
TOTAL 8		
<b>C FOOD EXPENSES</b>		
At home		
Away from home		
TOTAL C		
<b>D PERSONAL</b>		
Clothing, cleaning etc		
Doctors & Dentists		
Education		
Entertainment		
Gifts		
travel		
Newspapers etc		
Car fuel. Parking etc(private)		
Other		
TOTAL D		
TOTAL A		
TOTAL 8		
TOTAL C		
TOTAL D		
<b>TOTAL</b>		

## 4 RUNNING A BUSINESS

This section is a brief introduction to running a business successfully. It covers the following areas:

1. Do you have clearly defined goals	Visualise and affirm your goals daily
2. Do you know what your customers are thinking	Ask them
3. Do you know what your staff are thinking	Ask them
4. Do you know how your finances are operating	Check your records and financial indicators; ask your accountant
5. Do you know if you are maintaining the quality of your product?	Check it, use it; ask your customers; ask your staff
6. Do you know whether your advertising and promotional strategies are working	Ask the customers; ask the industry
7. Do you know what to do if a disaster strikes	What back up plans have you for a financial, physical disaster
8. Do you know if you are on track with your business plan	Do regular reviews
9. How are you coping	Look after yourself, without you there is no business
10. How are your assets/equipment holding up?	Money in the piggy bank for maintenance/replacement

### 1. Customer Relations

As with most people, if you want to understand them, know what their needs and wants are, you need to "slip into their shoes" (we used to say slip on their thongs, but this has a different meaning for some of our overseas students!).

This does not always work as there may be cultural, age, sex differences etc which you may not pick up on, but generally, putting yourself into their situation can give you a good idea of what they are thinking.

Some basic rules with customer relations are:

#### *Know your customer*

What is it that they want from you? Have you got the right product? It is important to get regular feedback from your customers to ensure that they are getting the service /

goods they expect and want and that this matches what you think you are giving them.

Don't be offended by negative feedback. It is a chance to improve your business.

*The customer is always right*

This is a good rule to follow, even if you do not believe that they are right. Research shows that on average, every satisfied customer tells one other person about their positive experience, whereas every dissatisfied customer tells ten people about their lousy experience.

*Word of mouth is the most effective form of advertising.*

Keeping the customer happy is crucial to any business.

*Not all customers complain when they are unhappy.*

Customers can leave in frustrated silence and will give you negative publicity. It is another reason to get regular feedback from your customers to ensure that they are still getting the service or quality of goods that you think you are giving them. If you do not know about a problem, it is hard to fix.

*Every customer problem is an opportunity.*

If something has gone wrong, bend over backwards to fix it. We are a forgiving lot when we are treated nicely.

Successful businesses often do more than is expected to change a negative situation into a positive one.

A restaurant for example, makes a mistake in a food order, they give a free bottle or glass of wine to the customer in way of apology; a retail store sells you a machine that requires repair, but gives you a replacement while the other one is being repaired.

*Be cautious about defining customer behaviour as a 'problem' in your own mind*

People have many ways of expressing themselves, have different expectations etc. Diversity is OK.

*Communicate clearly with your customer*

Don't make assumptions that they know everything you have to offer.

*What we all want as customers*

Most people have an expectation that they:

- Are dealing with someone who is honest and reliable
- Will receive the goods/services as advertised, in the time frame specified and with the appropriate after sales service
- Be assisted when required
- ® Be listened to and communicated clearly with

Most people are delighted when:

- They are made to feel important and are valued by you
- Are remembered, particularly when their name is remembered
- Are dealt with in a relaxing, friendly and even humorous way

## 2. Staff Relations

As with customers, put yourself in their shoes, to get the right approach to communicating with them,

Happy staff will work much harder for you. Things that make all of us happy are:

- ◆ You appreciate them as individuals and take an interest in them
- ◆ Find out what their skills are and use them
- ◆ Regular feedback and praise for work well done
- ◆ Respect for our ideas and inputs
- ◆ Training and personal and professional development
- ◆ The belief that you are part of a team working together
- ◆ Have clear roles and responsibilities and no ambiguous requests

Get the best out of your staff through regular meetings where everyone is encouraged to contribute. This is where many problems about the business can be identified and dealt with e.g. maintenance problems, customer feedback issues as well as innovative ways of doing things better.

Give incentives, training and opportunities for your staff to develop. They may move on, but are more likely to stay where they are getting a good deal.

*" On of the best staff communicators I have met said that when ever he was having a bad day, he would talk to a staff member and find something positive to say to them. The positive feedback he received made him feel better, they felt better and the business performed better. This is a complete contrast to the 'kick the dog' approach Your boss tells you off, you tell your staff off and your staff who have no-one under them to tell off, kick the dog!"*

## 3. Financial Management

Financial management aims to ensure you:

- 'Bring home the bacon' at the end of the day (you make a profit for all the effort you have put into the business)
- Have money in the piggy bank to meet expenses as they become due (good liquidity)
- Be around for the long haul (financially stable with the ability to withstand bad times when they come)

## **REMEMBER: NO DOUGH - NO GO**

### **Good finances require:**

#### *Financial planning*

Set realistic goals for the profits you will make and the cash flow you will need to meet expenses (and review them regularly)

#### *Good records*

Good records are those you can examine at any given time and work out where you stand financially. Throw out the shoe boxes (full of receipts).

You are also legally obliged to keep good records and remember, not only will you make impressive savings on accountancy fees if you keep good records, but you will also make a favourable impression during tax and other audits.

#### *Good analysis of the records*

Good records are useful if you analyse them for a particular purpose. They are not an end in themselves.

#### *Good decisions based on knowledge*

Don't live on hope, live on knowledge.

Regular, good quality financial reports will help you to:

- Compare performance against planned performance
- Understand your income and expenses cycle
- Help to maximise efficiency
- Avoid temptation to spend when you cannot afford it
- Check how your business is going overall and convince others e.g. banks if required.

Put money in separate accounts to meet specific needs e.g. tax, repairs and maintenance.

Use financial expertise e.g. accountant, but make it your business to be able to understand what they are saying and the advice they are giving

## **4. Quality Control**

As we said before, every bad experience that a customer has can be a potential disaster. Poor quality control is a major reason why things go wrong.

Good quality control means a customer will get the same product, in the same timeframe with the same customer service every time.

MacDonalds for example can attribute their success largely to the fact that almost anywhere in the world, you can get a Big Mac that tastes the same, looks the same, comes out in the same time period, is the same price (local equivalent) and is presented in the same friendly way. That is quality control!

Good quality management looks at the whole process of your business from where you get your supplies, how you produce your goods, how you package, distribute, market and sell your goods. It also looks at the administrative systems, staffing policy, finances etc.

The ability to demonstrate good quality management is also a prerequisite for winning many government contracts

## **5. Advertising and Promotions**

It is often difficult to determine the effectiveness of advertising and promotional strategies. Customers may see an advertisement or a promotion which will stay in their mind, but will not immediately respond to it. Six months later, a different type of advertisement may jog their memory and they will respond to it.

Customers may not remember where they heard about your product or not realise the nature of your product (eg the full range of benefits it may have).

Things to remember are:

- ◆ Always get feedback from your customers - make a way of life.
- ◆ Check trends in the environment for new threats and opportunities
- ◆ Always look for free opportunities to promote your business eg newspaper articles, trade journals, gifts etc.
- ◆ Involve all your staff in the process of developing, delivering and assessing your advertising and promotions

## **6. Disasters and Crises**

Crises will come on a regular basis and occasionally, disasters also come along. It is better to have done some planning before hand than to be 'caught with your pants down' when the crisis hits

Examples of disasters in recent times are the airline pilot strike; cyclones; changes to government regulations that can affect your market badly.

Things to remember:

Check your insurance - you can get cover for physical damage, loss of profits personal injury etc.

Have money in the piggy bank for unexpected equipment failure etc.

Have a network of people you can call on to assist in a crisis (family, friends experts, business associates, banks etc.

One great advantage of having good records is if you need money quickly, you can put a good story together to get a loan

Many larger businesses have Disaster Management Plans or Business Continuity Plans. You should consider a simple plan for your own business.

## **7. Is the Business on Track**

Operational plans are useless if you do not read them. That is why we suggest you put the operational plan on your wall, in the toilet etc. It is always there to remind you of what you want to achieve. In the manic rush to keep your business going, planning is often one of the main casualties through lack of time.

This can be a real disaster.

Good plans have good reporting mechanisms. A simple template with the key tasks of your plan can be filled out regularly and take little time. It forces you to think about your plan and gives you the opportunity to make changes as required.

Things to remember;

- Get your staff involved
- It should be a standard item in staff meetings
- Set time aside each month to review it in more detail
- A written report takes discipline, but is useful to see trends over time, apply for funds etc.
- Have someone outside your business evaluate your plan at least every two to three years. We sometimes get trapped into the same way of thinking and some 'fresh air' from someone else can be very useful.

Not monitoring your plan is like not checking your car oil. Things can go on for quite a while, but eventually disaster will strike!

## 8. Managing Yourself

You are the key to your own business. If you lose the plot, the business will go down with you.

How are you going to manage your stress, maintain motivation, have time for the family, have a few bob in the bank and enjoy life?

Things to remember;

- ◆ Your whole life is created by the way you think. Your thoughts attract energy on a continuous basis which reinforces the nature of your thoughts.
- ◆ Have clearly defined goals, these attract the energy you need to succeed
- ◆ Visualise them at least daily, more if possible. Create a Vision Board to help you"
- ◆ Practice Gratitude every day for everything in your life. Affirm yourself as a totally capable person.
- ◆ Plan your day. Expect success and you will attract it to you.
- ◆ Adopt an attitude of always doing and being the best.
- ◆ Don't get stuck in a perfectionist pigeon hole, work out what is an acceptable level for any task and get on with something else
- ◆ Don't drink the well dry, leave some things unfinished - the world will not end
- ◆ Don't try to do everything yourself and learn to say no!
- ◆ Praise others and also praise yourself for a job well done
- ◆ Take time out where you can really switch off
- ◆ Make your family a priority, they are the ones who are going to support you over the long haul and they deserve it
- ◆ Lighten up when you need to - the world will still go on
- ◆ Hang out with other positive people, be an inspiration to each other

## 9. Assets and Equipment

Businesses that don't manage their assets and equipment well will eventually go out of business. It is not always easy to put the money aside to meet maintenance and replacement costs.

Doing it ahead of time through depreciation allowances is the easiest way in the long term. Many people, when they achieve good cash flow, spend it on business expansion, personal items etc. This is good if you can afford it. But it should not be at the expense of maintaining what you have, which is what is giving you the business in the first place.

Well maintained assets promote a good image and reliability in production and are an important part of your quality management strategy.



**THAT'S ALL FOLKS.**



**CONGRATULATIONS ON  
COMPLETING THE COURSE!**

