



REVIVE

August 2018 Vol. 4 Issue 2

THE NEED TO LEAD

By Schon G Condon RFD

Every form of media these days is full of information, stories and the like propounding the importance of leadership in the modern environment, particularly when it comes to business. Certainly it is very fair to say that any business will not survive without a leader, but varying on the business, (industry, size and role), there is a very wide range of leadership styles that can be successful.

Regrettably for a very large range of small businesses there are those that are at the helm of the organisation because they inherited the role, or they were pushed into the role or simply because they signed a form to be a director. They generally do appreciate that they have ultimate responsibility, but they are often focused on this aspect by parties seeking to hold them responsible, the blame game, rather than as people who have an opportunity to take the world (or their business) on a new course.

However, there is the visible evidence of significant factors and stories around us all that can be seen almost every day that provide very conflicting concepts of what good leadership is. As a director/owner of a small business you are generally in it for the long haul. So, leaving aside those in the profession of illegal phoenixing, keep endeavouring to do what they can to keep both afloat and profitable.

Thus a long commitment to the role must be a key factor, but how can you reconcile this with the fact that with many major organisations, once the going seems to get a little tough, every non-executive director appears to jump off the boat and go in search of another paid ride somewhere else. It would appear from this that good leadership is to only be around in the good times. This is not an option for the SME director/owner.

Running a business is about risk, taking risk, managing risk and learning from mistakes, ... that were hopefully not too serious when you made them. In fact if you go to elementary accounting textbooks, profit is defined as the reward for taking risks. Conversely, losses are therefore the evidence that you are an expert at making mistakes! However, if we go back to our big time competitors we see repeated examples



where risk is outrightly avoided most commonly by shifting the responsibility to someone else such as an expert.

Thus if we go back to our basic equation, in a perfect world, if you operated a business and in doing so removed all of the risks, let's say by insuring against everything, then there would be no profit. This is because the reward for profit would have been spent paying the insurance premium that got rid of all of the risk. Thus it would appear that to survive in such circumstances one must grab money from elsewhere to provide profit. Where from, did I hear you say? Not sure, but some suggestions might be setting prices beyond reasonable levels, overcharging clients, charging people for things that they don't get, working in cahoots with other suppliers to ensure that minimum prices are maintained, undercutting competitors so they fail, that sort of thing. For some strange reason this is beginning to sound familiar!

Leadership is all about leading people and, in fact, a large part of that is all about how you treat them. People respond far more to being congratulated for the right things, rather than being punished for the wrong things. That's probably why there exists such a gap between many government departments and the rest of the population.

So if we now start to look at all the sledging in sport, the threats made to rule keepers of all forms, (think referee and parking cop to start with), reporting of ingrained bullying and/or sexism in large organisations and it again becomes difficult to clearly identify the desired role model.

In the current environment maintaining and stabilising an SME can be a very significant task on its own, simply treading water and surviving is leadership in that environment. The regret is that larger organisations are these days repeatedly being shown to be less than desirable role models.

At least it confirms the old adage: - "*Big isn't necessarily better!*" There has been many a business that has failed for no other reason than their plan was simply growth for growth's sake.

TAX IS AN EXPENSE NOT AN IMPOST

By Gerard Walz

A different view?

Having a tax liability means one thing - you have made a profit, because tax is paid/payable on profits. Be happy with that.

Dividends are paid from after tax profits. You basically can't pay a dividend if you have no profits. If you pay tax you can pass on the imputation to your happy shareholders (well, at the moment at least...).

Taxation in its various forms provides social infrastructure that we expect and when we don't see it, we demand where is it? No taxation exposes our "wide brown land" to national security issues, social security issues, transportation issues, health issues, transparency and governance issues – issues we are fortunate enough to take for granted, because we are taxed.

Without taxes we wouldn't have sanitation, medicine, education, wine, public order, irrigation, roads, a fresh water system, and public health, not to mention peace (well the People's Front of Judea thought the Romans did try to bring it, not the Splitters, the Judean Popular People's Front).

The moment that these issues (and plenty of others) are not addressed to a standard that we demand or, if you like, have come to expect, we are up in arms and complaining about them and peacefully, thankfully, changing government to have them addressed.

If we didn't have a structured taxation system none of these issues could possibly be addressed at all, let alone to our satisfaction if, of course, we are ever satisfied.

So, if we want all these issues addressed we need to pay tax. The late great in his own mind, Kerry Packer, reckoned (and I paraphrase)"if you pay tax, you were a mug". I imagine that if all these issues weren't addressed the great one would have used his media connections to complain about them. If he paid his taxes like the rest of us, without resorting to spending millions on reducing his tax obligations by testing the Tomes of Tax Law (which owe their origin to the likes of the great one), then maybe the rest of us wouldn't have to pay so much tax and we would have all these issues addressed and more.

Paying tax should be seen as each of us contributing to that social infrastructure, except maybe the two sporting stadium rebuilds being touted by our current NSW State Premier (didn't realise that the Sydney Olympic Stadium had such a short shelf life, thankfully the Romans and Greeks had longer construction cycles in many of their stadia).

The problem is the tax mix: we happily pay GST, because fundamentally we never owned it in the 1st place. I sure as hell don't want to go back to the good old days of sales tax where the book of exemptions was thicker than the legislation. We begrudgingly pay payroll tax and then whinge about how many more staff we could (but would we) employ

rather than pay that tax. We don't pay death taxes anymore – we wouldn't be around to enjoy the social infrastructure, so that's OK.

We whinge about PAYG-W, excluding the Medicare impost (yeah, nah, I choose to pay private health insurance AND still have to pay Medicare) but it hasn't really increased since before Barnaby Joyce was in britches.

But, we baulk at company tax, why, because we see it as an impost, not as an expense (which we basically happily budget for) and we don't plan for it. Our life has been made a lot easier with the BAS/IAS forcing us to review our tax position regularly – do we review it hard and well enough, or do we scrimp on it and then whinge when the balance becomes due?

If you budget, account and pay your taxation you will not be surprised. You WILL know that you will need to quarantine funds to pay the bill, just like you quarantine funds to pay wages, super, rent, electricity, advertising, payroll tax, GST and motor vehicle expenses.

Be happy to pay your tax bill. You are actually in front, in the black and helping to pay for sanitation, medicine, education, wine, public order, irrigation, roads, a fresh water system, and public health, not to mention peace (thanks Monty).

EBIT Management Services can help you budget and plan.

I'm off to Cricket Training (it's pre-season).

DIRECTORS' AND OFFICERS' RESPONSIBILITIES: A TIMELY REMINDER

By Padmini Saheb

In the James Hardie case the High Court clarified that the responsibilities of any officer of a company is a question of fact. The role of a person does not identify the responsibilities of that officer in a company. The responsibilities cannot be identified by reference to the role of a person with same title in another company or with the same company.

The High Court noted that the Corporations Act Section 180, Responsibilities of Directors and Officers are not limited to statutory responsibilities, but include whatever responsibilities the officer concerned had with the corporation regardless of how or why those responsibilities came to be enforced on that officer. An officer who is not a director, or the company secretary, with Section 180 responsibilities makes or participates in making decisions that affect the whole, or a substantial part, of the business of the corporation. The High Court clarified in this case that the officers also include persons who are not responsible in the final decisions but, nevertheless, participate in a substantial way to the ultimate decisions that substantially affect the business of a corporation. Officers' responsibilities depend on their qualifications and their actual responsibilities within their corporation.



CONDON ASSOCIATES GROUP

YOUR SALES FIGURES NOT LOOKING NORTH? (Part 2)

By Martin Scarpino

In the last edition our focus was on targets. Today, we will focus on tools and training.

II TOOLS

Many companies have tools available to their employees, and expect these tools to be used. These tools include sales tools, CRM, sales training, forms, policies and more, but do the leaders really understand these tools?

a) Policies:

Everyone talks about the policies which are in place. These policies often provide guidance, but often lack sufficient synchronization with the strategy which is in place.

b) CRM

Most companies these days have some form of CRM available. 80% of leaders do not understand the data provided on the dashboard nor do they understand the value and the origin of this data. CRMs are implemented with a lot of goodwill, effort and energy, but lack the link with the strategy, the policies and the actual workflow of the organization. Without the full understanding of the origin of the data, and how to translate this data into valuable action, the data is of little or no value. The worst scenario is the lack of understanding of the value of the opportunities/leads. Lead qualification is important within CRM. Users who really understand their CRM data create actions, forecasts and results which are superior, while others spend hours on analyzing without the depth needed and results to succeed.

III Training

Last but not least, the training provided is often nothing else than standard brush ups, which most of the time confuses the participants more than it really helps. In theory training often includes great tools, forms and strategies to make you successful. But while the tools are excellent, the training and trainer are limited in time to guarantee a successful outcome. Training is often kept short as it is seen as a cost factor for the business instead of an investment for better results. New team members need a strong immersion. It's not just a word, its key for the success of new members of the team.

Training must be in line with the products, the processes and the strategies, to really have an impact. Without impact there is only price. And we all know that winning on price is not desired at all.

Summary

EBIT Management Services Pty Ltd, as part of the Condon Associates Group, helps companies to transform their sales and service departments into revenue engines, before it's too late. We have a team of highly qualified and experienced sales, marketing and finance experts, who can help to provide solutions to turn your business around. Margin expansion, sales growth, turnaround and positive outlooks are the results of our involvement. We have not only the tools, but also the experience, the infrastructure, time and passion to make your business great again. We build our success on trust and passion for each customer!

Target setting, tools and training interact with each other and can help your organization to get moving again in the right direction. For more information and a risk free assessment contact one of our team on 9893 9499 for an appointment.

ONLINE FRAUD

By Sophie Bai

Online fraud, due to its increasing complexity and sophistication, is becoming an ever-growing problem for individuals and businesses. In order to tackle online fraud effectively, the awareness of online fraud detection should be highlighted and the prevention methods must be advanced with the times.

The most common types of online fraud are as follow:

• **Identity Theft**

Identity Theft is one of the most common types of online fraud. It can occur when visitors go online shopping or receive any product or service by revealing their personal information that will often include name, date of birth and residential address, which may provide criminals sufficient information to access your identity for credit cards, loans and other illegal purposes.

Always try not to reveal your credit card and debit card numbers, PINs (personal identification numbers), passwords and other personal information, and be aware of your bank account statements and credit card bills.

• **Phishing**

Phishing is becoming one of the most modern forms of online fraud. It occurs when an email appears to be sent from a well-known company and requires you to go to a specific website for various reasons. This website appears increasingly like the legitimate ones, which often deceives the recipient, thereby causing them to leave personal information to be used for identity theft.

It is important to know that legitimate companies rarely send an email to ask for clients' information randomly. Whenever you receive an email that looks suspicious, it is better to make a call to confirm the information you received is legitimate.

• **Credit Card Fraud**

With the substantial increase in online shopping, credit card fraud is now becoming one of the greatest concerns in terms of online fraud. It can occur in various ways, including sending personal information to fraudulent websites or insecure via links , by credit card information being illegally accessed at the merchant servers , by filling in credit card information on insecure forms.

One of the most effective ways to protect yourself is to always take precaution before revealing your credit card information and always using secure, legitimate, official websites.

In light of the above, in order to avoid becoming a victim of cybercrimes, it is important to accept responsibility for our own security and safety online, which means that we need to use safe online practices and be aware of the ways that criminals try to obtain personal information online.



PARRAMATTA CHAMBER OF COMMERCE NEW PRESIDENT

We are very proud to see our Managing Principal, Schon Condon elected as President of the Parramatta Chamber of Commerce and Industry (Inc.) at the last AGM.

Having spent the last 30 years of his working life in the City of Parramatta Schon has a strong connection to the City and its people, particularly in the business world. Schon feels passionately about the growth and development of both this City and the Greater Western Sydney Region. He has been a strong supporter of the Parramatta Chamber since his arrival and we are keen to support both Schon and the Chamber moving forward.

As the newly elected President, Schon is looking forward to working closely with both the committee and the other members of the Chamber and continuing the good work set by the immediate past president, Mr David Hill.

Upcoming Events

20 September 2018 - Condon Advisory Charity Golf Day

10 September 2018 - PADG

29 August 2018 - Condon Forum

ANNUAL CHARITY GOLF DAY

Thursday, 20 September 2018

Cumberland Country Golf Club

Condon Associates Group & Royal Australian Artillery Association (NSW) Inc.

The RAAA Golf Day has been an annual event for many years. The serving and ex-serving players from the Army units; Navy units; Air Force units; RAA units; and units containing a RAA component compete for the RAA Challenge Golf Shield Perpetual Trophy.

The Charity Golf Day has been receiving ongoing support from many corporate organisations for a number of years. In 2008, the Corporate Shield was introduced as the engagement with corporate organisations continually increased. Players who do not comply with the above criteria now have a category and a trophy to compete for.

Since the first Golf Day, all proceeds have been donated to Legacy. Legacy is a great charity providing support to those facing daily challenges after the death or incapacitation of a family member during or after force service.

In 2017, we helped to raise \$7,800 which was donated to Legacy and we hope to do even better this year. To achieve this goal, we seek support from the business community.

Please help us to make an even more significant donation this year by registering a team or become a sponsor! Sponsorship packages are available at a reasonable price.

We also welcome any donations of goods and services for the raffle and auction which takes place at the dinner later in the day. As always, any monetary donations are also greatly appreciated.

This Sponsorship Package provides comprehensive details about the range of sponsorship opportunities available to your organisation. Please speak with us if you are interested in contributing to help more people.