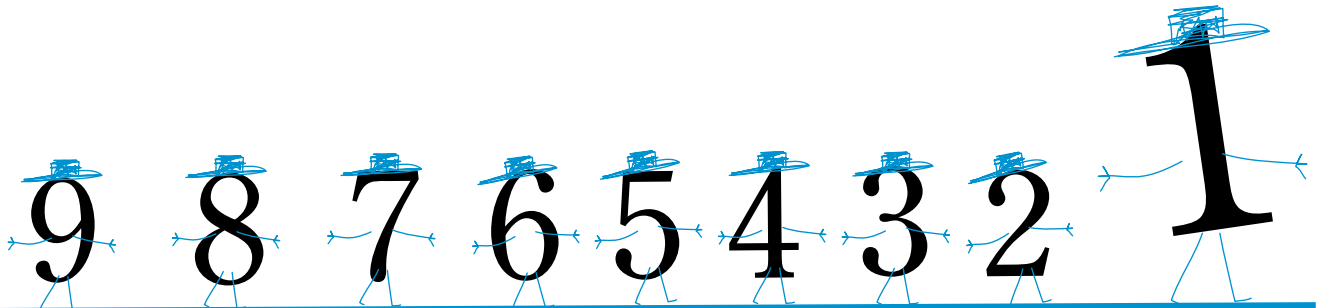




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newsletter

LEADERSHIP HAS NEVER BEEN MORE IMPORTANT



A phrase that few are likely to disagree with is that during tough economics times, 'good leadership' from management or owners becomes increasingly important.

We look to these people to set the organisation's goals and strategies, and then develop and implement a sound business plan that will cope with the realities of the market place.

Increasingly, modern business thinking is challenging some of the traditional views as to what is 'good' leadership, and American thought leader Jim Collins has coined the saying that 'good is the enemy of great'.

In his now famous management text 'Good to Great', Jim describes good leaders as people who provide answers to the challenges a business faces, who pursue clear and compelling visions, and stimulate people to achieve high performance levels.

Conversely, he says 'great' leaders use the collective talents of an organisation's people to develop the answers, and motivates people to take ownership for getting the job done.

Rather than telling people what to do, great leaders involve others in developing and implementing the answers.

At CTCW we are great believers in the value of staying abreast of the latest business, marketing and management theories, and testing our experiences and thoughts against those who earn a living from consulting and teaching. If you are looking for a good introduction to modern thinking around leadership you'll find 'Good to Great' thought provoking.

We have a few copies in our business library which are available for you to read, and your normal CTCW adviser can also suggest some other relevant publications.

The tough economic times ahead of us are likely to require new approaches and methods, and the more we are prepared to challenge our traditional thinking, and the more we open your minds to new approaches, the better equipped we will be to succeed in whatever form the new business environment takes on.

RATHER THAN TELLING
PEOPLE WHAT TO DO,
GREAT LEADERS INVOLVE
OTHERS IN DEVELOPING AND
IMPLEMENTING THE ANSWERS.

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THE BIGGEST BIKE BASH
YET FOR FOR CANTEEN



NURTURE CASH, KEEP MARKETING AND BE ALERT FOR OPPORTUNITIES

Succeeding in the recession.

Now that our new Government has taken shape, the country can at last get on with the critical task of making the necessary decisions to put our economy in the best shape possible to get through the tough times ahead.

Have no doubts whatsoever, while globally the credit crisis may be starting to ease, the world-wide recession that is coming on its heels will create tough economic conditions in New Zealand.

We are already seeing the first signs of it in the form of declining retail sales, job losses, shrinking stock exchange values and lack of investment.

Much worse is to come in 2009.

As we head into the summer break, we are in that uneasy, waiting period of knowing that an economic storm will hit us, but just when, where and to what extent remains uncertain.

After his first look at the country's books as Prime Minister elect, John Key made the comment that while the country's financial position had deteriorated since the formal pre-election briefings, we were not facing an Armageddon situation.

It is a viewpoint shared by the majority of economists. If as a country we make the right decisions, keep money circulating, invest in big infrastructure projects and hold our nerve

as high profile indicators deteriorate, the economy will eventually return to growth. Just when that will be is anyone's guess.

As world economic activity works its way through the down cycle, it is important that we do not talk ourselves into making things worse than they necessarily need be.

What we need to do within our individual businesses and with our personal financial planning is to be cautious without becoming paralysed, nurture our cash and preserve our lines of credit.

In terms of marketing and sales we may have to accept the inevitability of declining sales, and instead focus our attention on ensuring we get our share of what business there is to be had.

AS WORLD ECONOMIC ACTIVITY WORKS ITS WAY THROUGH THE DOWN CYCLE, IT IS IMPORTANT THAT WE DO NOT TALK OURSELVES INTO MAKING THINGS WORSE THAN THEY NECESSARILY NEED BE.

There have been a number of studies undertaken around what is the best marketing strategy to adopt in times of recession, the most widely quoted work* being that of Professor Patrick Barwise, from the London Business School.

He concluded that the most successful companies maximise long-term value by maintaining their advertising investment when the economy slows and weaker competitors cut back. This enables them - at lower cost than when the total market is growing - to build market share. A prime reason for this is that if competitors cut back, those who maintain or increase their advertising achieve a higher 'share of voice'. Any reduction in these firms' short-term financial performance is outweighed by their increased revenue and profit growth when economic conditions improve.

We also need to remain vigilant for opportunities, and be prepared to act quickly and decisively if chances present themselves to grow our business through acquisition, merger or expansion.

GLEN BEAL, DIRECTOR

**Advertising In A Recession, 1999, Prof. Patrick Barwise, published by NTC Publications Ltd.*

BUSINESS PLAN WILL POINT THE WAY FORWARD

If you would like to know more about preparing a business plan or budget, read on.

At CTCW we have always been great advocates of preparing yearly, formal business plans and budgets, as it makes you think about your business, gives shape to what you intend to achieve during the coming 12 months, provides core data for cash flows and investment planning, and gives you a benchmark against which you can track progress.

For those companies on a March 31 financial year, the Christmas break is the ideal time to do your thinking, and the late January/February period to do the paperwork.

Many who don't prepare formal business plans or budgets are of the view that they are complex, time consuming and require

formal management or business skills. Or their business is of such a size that it is not worthwhile.

Nothing could be further from the truth.

There are numerous template planning tools available, as well as business mentoring and coaching organisations that make the process available and valuable to all. Some of these tools are available to you free of charge.

A BUSINESS PLAN WILL ACT AS AN EARLY WARNING SYSTEM AS TO WHEN PROBLEMS ARE DEVELOPING.

If you would like to know more about preparing a plan or budget, we suggest you talk to your normal CTCW adviser, and they can put you on the right track.

In the coming 12 months managing your cash flow, making the right investment decisions - whether it relates to people or capital items - and knowing how you will go about generating the revenues you need to meet your outgoings will be invaluable as the economy adapts to a changing world.

A business plan will even act as an early warning system as to when problems are developing, and giving you the greatest time frame possible in which to take remedial action.

PROTECTING EMPLOYEES' INTERESTS WHEN MAJOR ILLNESS STRIKES

One of the more difficult decisions business owners have to face is how they treat an employee who through major or prolonged sickness is unable to work, while knowing that without working that person and their family will fall on hard financial times.

The key to putting distance between the emotional, personal aspect of making such decisions, and the reality of knowing the impact of supporting such a person over a long period of time can have on the financial viability of the whole organisation, is to have a well thought through response before such an event occurs.

Industrial law requires employers to give all employees up to 10 sick days leave a year (after a qualifying period) and allows employees to accumulate unused leave up to a maximum of 20. This right forms a safety net around which you should develop your approach.

An employer has two basic options.

First, you can insure your people's income (income protection insurance), in effect passing over the risk to a third party for a cost. The premiums for this form of insurance vary given the length of the stand down period before the insurance comes into force, and the level of cover provided (say 80% or 60% of the normal wage).

A major disadvantage of this approach is that over the past few years the premiums for cover have increased significantly. If it is your preferred approach, be conscious of the future cost you may be taking on because of rising premiums.

The second approach is to develop a written policy on your position, and ensure that all employees are aware of this policy. Through this approach you ensure that employees know of the risks to them.

Some may make the decision to personally take out personal income protection insurance to cover their major outgoings such as mortgage repayments.

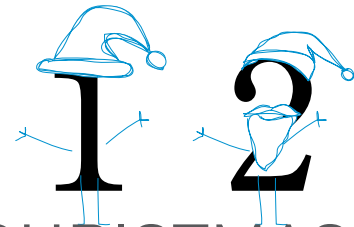
Your normal CTCW adviser can assist you in developing an appropriate policy should you require it.

In developing the policy, you might want to consider whether you will allow people to accumulate unused sick days greater than the minimum allowed under industrial law; whether you will permit employees to use some annual

leave for sick days (industrial law places a limit on this); and whether you will provide additional sick leave for employees who have been with you (for say) five years.

By planning ahead, if such an event ever occurs you already have in place a framework for addressing the issue in a fair and consistent way.

Accident compensation covers people if they are unable to work because of an accident, regardless of whether the accident is work related.



CHRISTMAS IS COMING!

CTCW is looking forward to the Pukekohe Christmas Parade, taking place on Sunday December 7th from 11am, when the team will man the float in full 'fancy dress' theme.

SOUND POLICIES NEEDED TO COVER INTERNET AND EMAIL USE

Given the ready and easy access to the internet and email in the workplace, all employers should have a written policy on their use, and ensure that their employees are familiar with the content.

The main areas of concern relating to internet and email use in the workplace revolve around non business related use, including visiting pornographic sites, adding unauthorised material on to PCs and the danger of importing damaging viruses.

There have been a number of Employment Court cases where employers have found that their ability to restrict access and discipline employees has been hampered by their lack of, or vague, policies on internet and email use.

Even if problems have never been an issue in your workplace, or you have an open approach to employee use of the internet and emails, for the protection of the business you should have policies that cover the basics.

It is possible to buy policy templates, including stock policies from the Employers' Association, and modify them to meet your needs. Or you can develop a policy that is specific to your business.

If you would like to know more about any issue regarding policies, including why they are important, how to go about developing them and their introduction, talk to your CTCW advisor.

EVEN IF PROBLEMS HAVE NEVER BEEN AN ISSUE IN YOUR WORKPLACE...FOR THE PROTECTION OF THE BUSINESS YOU SHOULD HAVE POLICIES THAT COVER THE BASICS.

CHRISTMAS BREAK

Christmas is coming around again and on behalf of everyone at CTCW, we'd like to wish you all the best for the festive season ahead.

Don't forget we will close our offices at midday on Tuesday 23rd December 2008, re-opening on Monday 19th January 2009.

For assistance during this period please call our main number – a senior Manager or Director will be available on an on-call basis. Please feel free to stop by and see us for a piece of Christmas cake and some festive cheer in the lead up to the Christmas break, anytime from Monday 8th December.

Have a very merry Christmas and a Happy New Year!



QUICK TIPS

Results Group

CTCW has worked with Results Group on a number of projects for local businesses. Results Group provides business support and coaching and was recently awarded the 'Top 1-1 Business Support' accolade at the Vero Excellence in Business Support Awards.

Our own 'Growing Business Value' seminar, produced in conjunction with Results Group was highly praised in local business circles and we look forward to working with this innovative company in the future.

Take a look at www.results.co.nz

Seminars

CTCW is pleased to work alongside New Zealand Trade and Enterprise and WHK Business Growth to promote the Enterprise Training Programme.

The programme provides seminars and coaching sessions to small and medium organisations, free of charge. Upcoming

courses include: Budgeting essentials; Business Strategy, Pricing and International Sales; and Business Planning Fundamentals.

For more information visit:

www.whkbusinessgrowth.com

Business Resources

National Bank offer a website dedicated to small business resources. The site contains a wealth of information and advice designed to help small businesses achieve success.

Easy to understand support materials on all aspects of running a business are available on the site, from planning and start up, to growth, franchising and even one on exiting the business.

Setting up and running a business in today's economy can be a daunting task. The National Bank's site is a good place to start to get credible, relevant information:

www.businessresourcecentre.co.nz

RUN THAT BY ME AGAIN...

Personal Income Tax Rates

Changes to tax arrangements for low income earners came into play on October 1st. The government introduced a new bottom tax rate of 12.5% on income up to \$14,000 and removed the low income rebate from the 2008/09 tax year.

New PAYE tables for employers were issued by IRD in September and the department has also offered assistance to software developers for payroll system updates.

FEEL FREE TO CONTACT US

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CTCW IN THE COMMUNITY

BIKE BASH BIGGER THAN EVER FOR CANTEEN

CTCW is proud to be associated with Canteen and joined in once again to support this year's Bike Bash – an event which raises awareness and funds for teenagers suffering with Cancer.

Local business people and residents of Pukekohe came together in the Town Square for the event on October 31st and brought a real sense of community to the support of this worthy cause.

Most staff took it in turns to ride the stationary bike in half hour shifts; however, one of our valiant team members, Fiona Deed, took up the gauntlet and rode for the entire 12 hour challenge - Well done to Fiona and all those who took part.



Fiona Deed and the CTCW team take up their challenge to raise funds for Canteen