

YOUR QUARTERLY SOURCE FOR BUSINESS ADVICE AND INFORMATION

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THE ADVISOR



A MESSAGE FROM NEVILLE HUGHES

HAPPY NEW FINANCIAL YEAR!

As most people would know by now, tough economic times have come to regional Queensland.

Is your business as well placed as it should be to cope with the downturn?

We all know that cash is the life blood of any business and we have prepared a comprehensive article on how to manage your cash flow.

Our client feature this month is on John and Rae-Lee Kelly who have been long term C.A.L.M.S clients of GTC. Their story is inspiring and we feel privileged to have helped them achieve their goals....check out their cool photo.

We are holding a C.A.L.M.S seminar on Wednesday 21st August. Just go to our website to book in or call Pallavi at the office to register.

I hope you enjoy the Newsletter, please feel free to pass any feedback or ideas on to us for inclusion in future editions. You can do this by emailing Pallavi.Malviya@gtcfin.com.au.

Your sincerely

Neville Hughes CPA
Director

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IS YOUR BUSINESS SHORT OF CASH?

Tough trading conditions have left many small businesses short of cash.

Cash flow problems can be a symptom of issues in your business that go undetected when times are good. These issues could be any one, or a combination of the following:

Too much stock

Your cash flow woes might be the result of excess stock still sitting on your shelves.

You need to:

- Carry out regular stock takes to find out how much stock you have. How many days trading does it represent, if it's more than 30 days it's too much.
- Take steps to get your stock back to a reasonable level – e.g. Discounts or Sales Promotions This is especially important with older stock. Don't let it go "stale".
- Check stock orders to ensure that only necessary items are being ordered.

Trade Debtors - Are you acting as your customers' bank?

A sale is not a sale until the money is in the bank.

- Don't automatically open accounts for customers, have them apply and ensure you do credit checks first.
- Make sure your terms of trade are clear on all your documentation, especially invoices and state when their payment is due.
- Make it easy for customers to pay, given them alternatives like credit cards and bank transfers.

- Follow up outstanding amounts promptly. Make the call and get a commitment.
- Have a strong process when customers are really dragging the chain, this could involve legal action.

Talk to us about a "**Cash Flow Protection Pack**" to help manage your debtors.

Are you actually selling enough to cover your costs?

Have you done your breakeven calculations?

Doing so helps you focus on what you need to sell each day, week or month to cover costs.

Break this down further into indicators that can be measured like the number of customers each day or what the average sale needs to be.

If your breakeven looks unrealistic maybe your overheads are too high.

Review all your costs, are they really needed? Cut back on luxuries, negotiate better deals with your suppliers, reduce your employee's hours and eliminate waste. Benchmarking your business against industry averages is a good way to highlight differences.

In some cases the owners are to blame. If all your living costs are coming out of your business maybe you need to reduce your personal spending. The reality is that if you want your business to survive, sometimes your personal spending habits have to be restrained.

Struggling to pay your BAS?

Many small businesses experience cash flow issues at BAS time simply because it is usually a large amount.

The way to avoid the problem is to plan in advance, set aside your GST, PAYG withheld from wages and employee super in another bank account. Do this each week or after each pay run so the money is there when your BAS is due.

If your business is struggling with cash, talk to the team at GTC Financial.

We act as Chief Financial Officer for many businesses and help you identify what is causing your cash flow problems and work with you to get things back on track.

20 MARKETING TIPS FOR SMALL BUSINESSES

1. Get your logo professionally designed
2. Create a Website. If you don't have one - you are not in business
3. Start a blog. It does not have to be complicated; it just needs to be relevant
4. Make sure all marketing materials (brochures, flyers, website, etc) portray the same theme in style and colours
5. Network through your local chamber of commerce and other events
6. Join a social network
7. Get your business listed on directories
8. Produce a monthly newsletter and email campaign for your clients
9. Take regular feedback and testimonials from your clients
10. Ask for referrals from your clients
11. Create a loyalty scheme
12. Create an email signature
13. Get an awesome business card
14. Use your vehicle by displaying your logo
15. Attend exhibitions and trade shows
16. Run a joint promotion with another business providing complimentary services
17. Send postcard designed to display your products and services
18. Give something for free
19. Host free events and workshops
20. Volunteer to speak at seminars organised by others

STAFF VALUE PROGRAM

ATTRACT, MOTIVATE & RETAIN TEAM MEMBERS

Many small businesses grow by head count without having good human resource structures in place.

Do you have the following in place in your business?

- A regular team survey
- An organisational chart
- Role descriptions
- KPIs (key performance indicators) for the whole business
- KPIs for each team member

- Regular career development reviews or
- An incentive scheme

How high is your team turnover and morale?

At GTC Financial we can tailor a **Staff Value Program (SVP)** to get these structures in place and to help improve team morale and retention. It is also a great way to get your team engaged and improve productivity.

CLIENT CORNER...

JOHN AND RAE-LEE KELLY HAVE BEEN CLIENTS WITH GTC SINCE 2004.

THEY HAVE BEEN USING OUR CALMS (CASHFLOW, ASSET AND LIABILITY MANAGEMENT SYSTEM) SERVICE WHICH IS TAILORED SPECIFICALLY FOR ACCUMULATORS AND SINCE THEN GTC FINANCIAL HAS HELPED THEM ACHIEVE THEIR LIFE GOALS.



John and Rae-Lee Kelly enjoying their vacation at the Great Wall of China

Here's what they had to say:

"We first came to GTC to attend a seminar on 'Importance of Financial Planning'. We have been with GTC for 9 years now, and since then we have achieved a lot of things which we wouldn't have been able to achieve without GTC Financial's help.

The comprehensive plan formulated by GTC has helped us pay all our debts and build an investment portfolio without compromising with our lifestyle. We are also living out our dream of travelling the world.

It took us a while to understand that we needed a comprehensive plan. Around 11 years ago we realised that if we did not start working on our finances now, we would not have enough to retire on. If we had not come to this realisation we wouldn't have been able to take control of our personal debts and would still be struggling.

The best thing about The CALMS plan is the flexibility it offers. In cases when your circumstances change, you can revise the plan to suits your current needs. This is even better in the current climate where the market keeps fluctuating so often.

I strongly recommend to everyone, especially the younger generation couples, to seriously start thinking about formulating a comprehensive plan for your future through GTC Financial's CALMS strategy.

The bottom line is – 'If you fail to plan, you plan to fail!'

John and Rae-Lee Kelly

If you want to learn more about CALMS, register for our upcoming seminar on 21st August. For more details, see back page.



PROTECT YOUR MOST VALUED ASSET - YOUR INCOME

Someone earning an annual wage of \$75,000 would earn around \$3 million in a 40-year working life.

They would use this money for daily living, for holidays, to buy a house and car, as well save for their retirement.

However being injured or becoming ill, even if it's only for a short time, would severely affect that person's lifestyle and their long term plans.

How would you cope if you were injured or fell ill and weren't able to work?

You may be able to replace your income from other sources;

- If it is a work-related injury or illness, workers compensation may pay your basic wage and medical expenses until you return to work.
- You may have accumulated sick leave if you've been with the same employer for some years.

- You may have savings you can access.

What you must ask is whether or not you will be able to cover all your expenses. Would you be able to continue servicing loans and pay for out of pocket medical expenses?

Insuring the risk

Income Protection Insurance usually pays up to 75% of your normal pay whilst you're off work. You can tailor a policy to suit your situation.

For instance:

- How long must you be off work before payments start? This can be as short as two weeks or as long as six months.
- How long will you receive the income? This can be for a short period (like two years) or until age 65.

Most policies will require you to be unable to do your own job although some include rehabilitation benefits as you gradually get back into the workforce.

Premiums are generally tax-deductible and the income is taxed in the normal way through the PAYG system.

Don't gamble with your future.

Contact us now about investing in an income protection policy to suit your circumstances and your current responsibilities.

You will sleep easier knowing your financial plans will stay on track regardless of sickness or injury.

FREE SEMINAR

PLANNING YOUR FUTURE? YOU NEED CALMS...

Planning for your future? You need CALMS...

Would you like to win back control over your finances whilst also maintain your lifestyle?

If yes, let us show you how you can achieve this.

Be our guest for this seminar:

DATE Wednesday 21st August 2013

VENUE Gladstone Regional Library,
39 Goondoon Street
Gladstone

TIME 6:30 networking to start
from 7:00 pm – 8:00 pm

RSVP marketing@gtcfin.com.au
0749725177

FREE SEMINAR

Planning your TIME effectively

1. Record all your activities for a week. This will show much time you spent producing results and how much time was wasted. Stop doing or delegate the non-productive activities.
2. Plan to spend at least 50% of your time engaged in the activities that produce the best results.
3. Make time for important activities like planning and problem solving. Do take these away from the office for best results.
4. Be realistic, always allow time for interruptions.
5. Use the last 30 minutes of each day to plan your next day. This way you will start each day focused on what you need to achieve.
6. Take five minutes before every task to decide what result you want to attain. Then take five minutes after you have completed the task to determine if you achieved your desired result. If not decide how you will do it better next time.
7. Put up a "Do not disturb" sign when you absolutely have to get work done.
8. Turn off email alerts and social media. Then schedule a time to answer emails and return phone calls. Let everyone know when that is.
9. Remember that it's impossible to get everything done, so always remember the 80/20 rule. Spend your time doing those 20% of your activities that produce 80% of your results.
10. No-one can work flat out for ever, schedule some regular down time to recharge your batteries.

About GTC Financial

... Total Financial Care

At GTC Financial we are passionate about small and medium businesses, their owners and individuals who aspire to improve their current situation. We assist you at every stage of your life, business or personal. We work with you to develop innovative and dynamic solutions providing clear direction, education and ongoing support, keeping you on track. As your trusted adviser we deliver total financial care so that you can achieve peace of mind and financial independence.

GTC Financial is a Gladstone based firm of Certified Practising Accountants and Certified Financial Planners that provide a comprehensive range of accounting, taxation, business advisory services and financial planning services to private businesses and their owners having clientele base in Central Queensland. We also provide a wide range of financial advice to individuals and families.

Whatever level of service you require, GTC Financial is well equipped to offer a solution from start up phase, planning for growth through to exiting the business and planning for retirement. We can tailor our services to suit your needs and are proactive as well as being easy to deal with. Our clients tell us that they appreciate how accessible we are and the level of face to face contact they enjoy with us.

We have also developed close associations with a range of specialist advisors who can give timely advice to achieve the best possible outcomes for clients when dealing with large or complex transactions.

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KEY DATES FOR JUL-SEPT 2013



14 AUG	PAYG Withholding: Final date to lodge the PAYG withholding payment summary annual report.
21 AUG	GTC Seminar: Seminar on CALMS (Cashflow, Asset and Liability Management System)
21 AUG	Activity statements: Due date for lodgement of activity statements for reporting and payment of PAYG amounts withheld from payments during July 2013 by medium PAYG withholders.
21 SEPT	Activity statements: Due date for lodgment of activity statements for reporting and payment of PAYG amounts withheld from payments during August 2013 by medium PAYG withholders

The above dates are a summary only, for the full list of deadlines and other important dates please refer to our website under Resources Tab or use the following link - www.gtcfinancial.com.au/resources/key_dates

