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NEW RESEARCH: Self Managed Super Funds the Way of the Future



Recent research has backed up what many in the finance industry have long suspected - Self Managed Superannuation Funds (or SMSF's) are the largest, and now the best performing super sector.

APRA's latest Quarterly Superannuation Performance report indicates that, as at the end of December 2008, SMSF's were still the largest sector of Australia's superannuation industry, by assets. SMSF's made up 31% of all superannuation assets, followed by retail funds with 28.2%, industry funds with 17.2%, public sector funds with 14.2% and corporate funds with 5%.

How did this happen? Well, it seems the largest contributing factor has been performance. The average SMSF has been outperforming every other super sector fund during the downturn. On average, SMSF's lost much less than virtually every other fund category (4.8%) during the December 2008 quarter. Retail funds lost over 10%, public sector funds 9% and industry funds 8%.

If you would like to know more about establishing your own SMSF, please contact [Doug Ward](#) or [Ben Fitch](#) at [IMPACT Accounting Solutions](#), or call today on **07 5530 6395**.

Tax Office Gives Small Business Room to Breathe!



The Tax Commissioner has recently announced two new measures to help businesses with an annual turnover of less than \$2 million that are struggling to manage their tax debts in the current economic climate.

Measure 1: 12 month General Interest Charge (GIC) free payment arrangements

According to the Commissioner, small businesses with an activity statement debt can apply for a GIC free payment arrangement with the Tax Office from now until 30 June 2010. The Tax Office will have the GIC remitted for a maximum period of 12 months, provided the payment arrangement is maintained.

Measure 2: Deferred activity statement payment due dates

Small businesses will also have the opportunity to request a deferral of payment on their next activity statement. Eligible businesses with short term cash flow problems that pay quarterly and annually may be granted a deferral of up to two months, while those that pay monthly eligible for a deferral of up to one month.

NOTE: The Tax Office still requires small businesses to lodge their Activity Statements on time, however no interest will apply for the period of the deferral.

According to the Commissioner, more than a quarter of small businesses are struggling to meet their tax obligations due to the impact of the current economic crisis. The Commissioner has stated that the Tax Office did not want the GIC or temporary cash flow problems to be the deciding factors between a business surviving and being able to meet its tax and superannuation obligations or becoming insolvent.

Small businesses are urged to contact the Tax Office as soon as possible on 13 11 42 to discuss their circumstances so that a sustainable interest free payment arrangement can be negotiated.

Or for more information on the new measures, contact [Doug Ward](#) or [Ben Fitch](#) at [IMPACT Accounting Solutions](#), or call today on **07 5530 6395**.

What's Ahead for the Financial Year?



With the new financial year upon on, we thought we'd take a quick look at a few of the key tax changes you need to keep in mind:

New Tax Rates:

Taxable income \$	Rate %
0 – 6000	0
6,001 - 35,000	15
35,001 - 80,000	30
80,001 - 180,000	38
180,001 +	45

PAYG payment instalment for small/medium enterprise.

Automatic reduction of PAYG instalments take effect for 2009/2010. Applies to quarterly payers who have their PAYG adjusted for GDP.

Tax equality for same sex couples

Same sex couples and families will be treated the same as married and defacto couples for tax purposes from 1 July onwards.

Education tax refunds now claimable

If you are eligible, you can now claim a refund for education expenses incurred by primary and secondary students from 1 July 2008. Don't forget to keep your receipts.

Super changes

The reduction in the concessional superannuation contributions cap (from \$50,000 to \$25,000) and the reduction in the co-contribution rate (down to 100%) take effect from 1 July 2009.

Investment Allowance spending rush slows down

For those businesses selling products that qualified for the Investment Allowance, you can expect to see a slow down as the end of financial year rush is over. Sales will pick up again through the year for customers under the \$2 million threshold as they can still access the higher Investment Allowance rate of 50% until 31 December 2009.

Overcoming Your Customer's Fear of Spending



One of the biggest complaints from sales people in a tight economy is the time it takes to achieve a sale. So, what can you do to speed up the sales process?

Stop product selling and start solution selling

Branding is wonderful but unless your brand is as mighty as Coca Cola, it's unlikely people will purchase what you have on the basis of brand alone. It's more important than ever to explain why your product or service is valuable to your client and if it is not unique, why they should be buying it from you.

Berlei bras demonstrated the art of solution selling back in 2000 with their sports bra campaign - "only the ball should bounce." For anyone that has seen a sports bras you know that aesthetically, they are the ugly duckling of the lingerie world – highly functional but very unattractive. Berlei used science to show women how much damage exercising in anything but a sports bra could do. You do not have to spend millions of dollars to achieve the same effect. The point is to understand what the most meaningful message is to send to your customer.

Sell the savings

Does your product offer your customer any form of efficiency gain or benefit beyond value over time? Can you justify it with real examples such as testimonials and worked examples? If it does, you need to ensure that you articulate this message. If there is a benefit, ensure you highlight it and emphasise the result. Try and stay away from long range forecasts. If it is going to take a few years to see the real value then this is not much of a selling point in the current market.

You are only as strong as the weakest link in your sales process chain

If your first point of contact is the weakest link in your sales chain, then you need to fix it. Help your team identify and capitalise on opportunities by giving them the training they need. They need to know what the benefits of your products are to be able to sell them effectively.

Package and prosper

In tough economic times, it is common for the volume of products purchased by each customer to go down. You can overcome some of this reticence by packaging items together. Try the strategy used by many of the large retailers where they offer a discount on the second item purchased of the same type rather than offering an outright discount. It has the advantage of encouraging sales volume. If you are going to package, make sure you are not packaging a lot of low margin products and then discounting them. Packaging works best for your business when you can package products with higher profit margins or where you boost the sales volume of slow moving stock by combining it with faster selling stock.

Creative marketing

Marketing doesn't have to be expensive to be effective. Take viral marketing. Last year, Myers emailed a 'staff and friends' voucher that gave the person presenting it a discount on a certain night. You did not have to prove that you were a friend of a Myer staff member - the fact you had the voucher was enough. The email, once received by one person in their inbox, was often happily

forwarded on to other friends so they also could benefit from the discount.

The key to making offers to the market is to make sure you offer something that people will get excited about and time-limit the offer to create a sense of urgency.

The sale has not been achieved until the money is in the bank

Keep focussed. The old adage that “the sale has not been achieved until the money is in the bank” is truer than ever. It’s important not to celebrate the wins until the transaction is completed. A good feeling about a sale prospect is just a good feeling until the money is in the bank or the contract is signed.

The carrot with no stick approach

Any business that has a subscription style product or service has the ability to bring forward sales by offering incentives such as a certain period free or an upgrade at no additional cost (commonly used by providers such as Foxtel). If you are using these strategies, make sure that your contracts clearly state what the customer is locked into once the free period is over and ensure you receive at least some of the payment before the free period begins.

Keep in contact

Just because a customer has not purchased from you does not mean they are not interested in what you have to offer. People get busy and you are not necessarily their first priority. Keep in contact through updates, offers and newsletters. The key is to ensure that you have something relevant to say otherwise your time and money is wasted.

Boost your point of sale display

Almost all retailers are aware that people tend to buy what they see. It’s more important than ever to show your customers how your products can work for them. Fashion retailers use this strategy by dressing mannequins in a complete outfit with accessories. People want to see how they should be wearing the outfit not just the outfit by itself. Working this way boosts the number of products purchased by the customer.

Take a look at where those small value-add products are located in your business – are they off to the side or are they right at the point of sale. There is a reason why supermarkets have magazines and sweets at the counters.

This strategy is not just for retailers but for every business where your customers come to your premises. Are your customers looking at pretty pictures on the wall or are you demonstrating the value of what you offer?

Almost all business people reading this would be aware of these tips but the question is, how many of us put them into place?

If you need assistance identifying profit margins, product analysis, the impact of discounting or the best strategies for your business, contact [Doug Ward](#) or [Ben Fitch](#) at [IMPACT Accounting Solutions](#), or call today on **07 5530 6395**.

Quote of the Day

"Human beings are the only creatures on earth that allow their children to come back home."

Bill Cosby

Contact IMPACT Accounting Solutions TODAY!

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