

Issue Seventy Four

LAUNCHPAD



Do you have backup?

'Tis the season to ... do some network housekeeping. What would you do if the unexpected happens while you're on the beach giving it some Christmas cheer? There's a blackout, your laptop is stolen from your car, or downloading someone's dancing turkey video has infected one or more computers on the network with a virus? A backup plan takes it from what could be an utter disaster to somewhere on the inconvenience scale.

Even if you don't have a rolling contract with an IT provider, it might be worthwhile for peace of mind to have them audit your system and review your IT plan. It should cover backup for all data and files and protection for viruses and malware. It can also be good to have clear protocols for all users so they don't put the business at risk by failing to backup key files or unwittingly attracting a virus.

Start the holidays with peace of mind and come back in the new year with all systems go.

Network health check

✓ Virus protection

Do you have protection from viruses and malware? Is it up-to-date to carry you through the holiday period?

✓ Backup

Do you have a routine backup of data and files? If you backup to external disk or tape, does this include all shared drives or just some? What happens with your laptops? Do you need to make sure you and team are saving to the shared drives and not leaving critical files or the latest versions in their My Documents folders? Are your backups stored securely off-site?

If you have cloud data backup, does it cover all cloud data and desktops? Do you need to synchronise office laptops and hard drives to your cloud storage? If so does this happen automatically whenever users log into the network or do all users need to follow a manual process?

✓ Future proof

It's important to have some kind of rolling plan to replace out of date equipment. Even if your computer setup isn't all absolutely up to the minute, it should at least be up to the operating requirements of the applications you need to run your business. If you're largely operating in the cloud, hardware capability (and internet speeds) should be such that it doesn't slow you and your team down whether downloading, uploading and just getting things done. Give some thought to whether this should be a priority.

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Who you going to call?

How often are you able to really work on your business, as opposed to working in it? Day to day demands can swamp the bigger picture. It can help put it all in perspective to call on a specialist so you can focus your energies on taking that next step up.

There are many advisory services out there. It can be confusing to try and sort through all the marketing to make sure you connect with someone who can really help. For instance, what's the difference between a business mentor and a business coach? And where do business advisors fit in? Or are they all just different names for the same animal?

Horses for courses. Advisors, mentors and coaches all serve different functions and you might call on one or the other at different times for different reasons.

Ideally, if you do consult more than one source of business advice, they should work with you in some kind of coordinated framework. The last thing you want is for them to be working at cross-purposes with each other (and you). Even if they never meet each other face to face but only work one on one with you, they should all support your business goals and help you develop and align strategies to achieve your goals. And, if you are considering a special project or a major transaction, you should be able to call together all the people who can provide specialist advice.

Business advisors

A business advisor is a specialist with professional insight into specific issues for your business. For instance, if you're a farmer, you might speak with your farm advisor on the pros and cons of different pasturage systems and how to monitor returns. They'd be your resource to work on your farming system to produce higher outcomes from your pasturage. A manufacturer might consult an advisor on strategies for marketing and distribution.

As your accountant, we take care of the tax returns and make sure you meet your compliance obligations. But your business success is bigger than that. For instance, we hope we'd be your first call if you had issues with cashflow and wanted to develop better systems to manage it.

Advisors can also serve a useful clearing house function. They have wide networks and, if they know you and your business, they can connect you with reliable people and businesses that would be a good fit.



Mentors

A mentor is more like a role model. He or she will be someone you admire, with sound business success. You can confide in them. Typically, you might schedule a call or a coffee with them once a month or so.

A mentor can help you build your existing skills and develop new skills. They'll be straight with you, call you out on your assumptions and challenge you on your goals and your business direction. They can red flag potential mistakes, on the basis of their knowledge of the business world. They can play devil's advocate, to help you test your plans and decisions to make sure they're solid.

Mentors typically have excellent networks and can turn you on to people and businesses with resources that may be useful to you. They might also provide introductions so you don't have to cold call. And they might provide consultancy services to you from time to time on key projects.



Coaches

A coach is a bit different. Reach out for a coach when there is some particular aspect of your business performance that you want to improve. They will help you find the gaps and analyse why they exist and how to overcome them. A coach will help you refine your skills and goals and help you stay on track.

Like a coach to a high performance athlete, a business coach might cheer you on from the side but they will also push and pull until you deliver at the level you aspire to. They help keep you motivated and help you push beyond your own limits. Coaches help you to be accountable for your own success (or lack of it).



Debtors and cashflow

Business is good. Customers love your products. You provide a superb service. So why is your cashflow trickling not gushing? You have analysed the numbers. Your overheads are reasonable and there's no wastage. But what about your debtors?

If your business isn't strictly 'cash over the counter' you probably already understand the work - and the pain - of chasing money from overdue payments.

Good debtor management can make a real difference to cashflow in your business. Poor debtor management can be a major roadblock. You can have a lot of money tied up in debtors that you could use better elsewhere to keep driving the business forward. Think about it this way: the money you have tied up in debtors is your (reluctant) investment in your customers' business. Wouldn't you rather invest in your own business?

A cloud of negativity sits over debtors. People don't like to deal with and so it usually just gets worse. It sucks up time as you try to unravel the paper trail in invoices, statements and call logs. It can be a nightmare to figure out with not much to show for it.

The key to managing debtors is not to let it get away from you. Call us if you want to talk through your debtor numbers and put together a better system to manage debtors in your business.

'Remember that credit is money' Benjamin Franklin

Keys to managing debtors

Be upfront with your trading terms. Let your customers know as early as possible about your terms of trade and bill promptly after product delivery or work completed. This makes it easier to contact clients to follow up on unpaid bills.

Manage credit risk. Wherever possible, if it's appropriate for your industry, run a credit check before you offer credit. Or ask customers to complete a credit control application.

Stay on top of your debtor ledger. Review it frequently and sound the alert on overdue payments.

Do the numbers. Work out how much money you have currently tied up in payments pending and then, on average, how long it takes you to collect debt in your business. These are the numbers you continuously want to reduce. Let your team know that these are achievable goals.

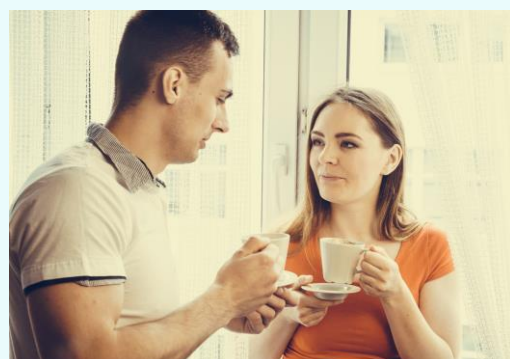
Have a system. Delegate the task and give your debt manager the tools to make it work. Too often debt collection ends up back with the business owner simply because they are the one most passionate about their business and most closely concerned with cashflow. Their customers know them so a phone call from a business owner carries weight that a call from the office assistant just doesn't have.

However, while tempting, it is not best use of your time to chase bad debts. Much better for you to be out there, growing the business, pulling in new customers. And separation is essential between your relationship with your customers - which you want to be as good as possible - and the 'dripping tap' approach which a good debt manager should have.

Train your debt manager to be systematic. Scripts for regular follow up calls and templates for emails and letters work well. Whoever takes on the task might well hate making the calls just as much as you do. Turn this around. Go over the script and prep your debt manager with all the payment options your business offers.

Make it easy to pay. Customers are your favourite people. You want them to feel great about your business. You don't always know what's happening for them but you want to make it as easy as possible for them to pay you and continue to enjoy your awesome products and services. Offer payment plans. Set them up with payment options such as *feeSmart*.

Have a plan B. Set a time limit for when you turn debts over to a collection agency. If all else fails, know when to write off a bad debt and record this clearly for your year-end figures. But before that, systemise your debtor management so you know that you have done all possible to unlock the funds you have tied up in debtors.



What your body language is saying about you

There's a lot to be said for body language. Some would argue that their stance is no indication of the way they feel. However it pays to be aware of body language, as it can affect your success. You may be subconsciously portraying a negative vibe which your customers could pick up. Here is some basic and simple body language to be aware of.

Posture

Slouching has bad attitude and boredom written all over it. It may just be that over time, you've habitually come to stand with hunched shoulders, so try to retrain your mind. Be mindful of how you sit and stand, especially in the company of others.

Crossed arms

This is quite possibly the most common mistake people make. Many cross their arms when cold, or out of habit but as soon as you notice yourself doing it, stop. It can come across as intimidating or signal that you're on guard or closed to the viewpoint of the person you're speaking with. Work on keeping your hands at your side, behind your back or clasped in your lap when sitting. The person you're speaking with is more likely to feel as though you're making an effort and engaging with them and what they're saying.

Fidgeting

This is a particular hindrance to success whether engaging with clients or employees. It spells out nervous, rather than confident. At worst, it looks like you're bored. Resist the urge to fix your hair, swivel your chair or fuss about with your clothing. Once again practice stillness by placing your hands in your lap or at your sides.

Eye Contact

This is a tricky one. Eye contact is important, but you don't want to overdo it and come across as too intense. At the same time, avoiding eye contact can make it appear as if you've got something to hide. Try to find a balance, so it's evident you're paying attention but at the same time, not coming across aggressively.

Exaggerated Gestures

It's easy to get carried away with our hands, especially if you're talking about your own product, service or business. Unless your flamboyance is matched by that of the people you're speaking with, it would pay to tone it down as it can imply that you're stretching the truth. Keep your gestures small and controlled to project an air of professionalism.

'Body language is a very powerful tool.

We had body language before we had speech, and apparently, 80% of what you understand in a conversation is read through the body, not the words.'

Deborah Bull

Overall, the key to good body language is being mindful and aware. Bring your attention to your posture and actions as often as you can and in different circumstances. Over time, it will become easier to read a situation and respond accordingly without it feeling forced.

FYI...

Terms of Trade inform your customers of the conditions of doing business with you. For instance, they detail goods and/or services to be provided, how long quotes are valid for, price and when payment is due. For any business where payment is not immediate cash across the counter, clear terms of trade can help minimise and prevent bad debt.

Make sure your terms of trade are geared to your business: whether you supply goods and/or services to consumers in a retail environment; to other businesses as a commercial supplier; or a mixture of both. Print them on the reverse side of an order form or a credit application. Use all means possible to communicate your trading terms to customers - put them on your website, invoices and statements. Some businesses will go a step further and seek a terms of trade agreement with customers. With an agreement, you have not only disclosed your terms of trade - your customer has also agreed to them.

An Important Message

While every effort has been made to provide valuable, useful information in this publication, this firm and any related suppliers or associated companies accept no responsibility or any form of liability from reliance upon or use of its contents. Any suggestions should be considered carefully within your own particular circumstances, as they are intended as general information only.

