



REVIVE

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So Really, How Good is Your I.T. System and Processes

By Schon G Condon RFD

Welcome to 2017 and may the year bring you many good things.

Today it is very difficult to find a business that does not have some form of electronic system somewhere within its operations. In fact, it would be more common that the entirety of most businesses would rely to some degree on electronic systems dealing with communications, management, control, storage, processing, marketing, sales generation, advertising, analysing, regulatory control, etc. I recently visited my local shopping centre one afternoon to collect our mail; I arrived to find the area 'blacked out' as a result of a recent electrical storm. The entire shopping centre was effectively 'open' but 'closed', i.e. non-functional.

Some minor cash transactions were conducted by those that could, but take-away's could not cook, and the rest required their electronic system to process transaction cards. In a future cashless society, business would have ceased altogether! Once upon a time I used to often ask businesses whether they kept their paper card processing machines for just such an event, but that ended when they were no longer processed by institutions.

Going forward the protection of these systems will become the most significant issue for all businesses.

I recently received a news blast from a former client Bob Pritchard (bobpritchard.com), now resident in the USA and a frequent blogger, dealing with 'Cyber Security Misconceptions'. In the article he touched on five key issues:-

1. Software will protect you,
2. Cyber-Crime is mostly about Credit Card Fraud
3. Cyber-Crime is only about making money
4. Cyber-Criminals don't target small businesses
5. There is no way to stop a cyber attack

The points raised are certainly valid and essentially delved around that greatest of human beliefs "it won't happen to me", but it can and in due course it will. It has certainly happened to me. The worst, now many years ago, when the office was broken into and the entirety of our electronic equipment stolen, and more recently it has been the



temporary loss of a credit card when the Bank has contacted us advising they had detected suspicious activity on the card that is invisible to the card holder. Good planning and support saw the system rebuilt within three days with the partial loss of one day's data, and a backup credit card covered the other.

The more competition increases and the more someone can be brought to the brink of collapse quickly, the more important protection of the wholeness of these systems will be

come. The lessons are all around us. As is the drive to get more and more people into businesses of their own.

Virtual businesses can be created in a week and literally changed overnight if things are not working perfectly. Try and fit out your premises in a week and, when you discover the colours are wrong, or the product mix is not the best, or the menu does not suit the area, then try and replace it all after closing one day and before opening the next! And then; the cyber business can revamp entirely overnight again in a few more days, if necessary! Tradesmen are expensive and take time (once you get one) that is.

There are repeated examples of hacking that has been done, in the main, for no other reason than for the Cyber-Criminal to prove that the system could be hacked. We all know about those because it is clearly visible in the media. How many times is such an expert employed to get the data and provide it to a competitor, or other equally relevant party? That is never published, because unless it is detected no one really knows it occurred.

At the present time the Australian Taxation Office (ATO) is going through a world of hurt as a major upgrade late last year has not progressed well. They have ultimately been forced to send daily emails confirming it remains a work in progress and is not being ignored. There is but one ATO, and as a regulatory body everyone must deal with them, at least when they are operational again.

Had it been your business with hungry competitors in the market, then your 'app' would have been deleted long ago and your customers would now be in the hands of a very thankful competitor! If you don't believe me then have a look at the impact *Lift* is having on *Uber* in the US.

Resolving Disputes

By Andrew McCarthy

A recent trend in many new clients seeking the advice of Condon Associates comes from the area of disputes with major customers. When assessing a dispute, management need to assess a number of issues before deciding on a path to resolution. A quick settlement of a matter is always a priority, as Solicitors, Debt Collectors, Accountants and others all add to the cost.

Understanding the cause of the dispute is vital, not just for the dispute but also for the future of the business. It is important that the issue that has occurred is not repeated, for example a contract that was used may be a standard contract for all clients however on closer inspection the wording is ambiguous and unclear. It is at this point that management must resolve the wording of the standard contract to prevent further confusion.

The first major consideration is the value of the transaction, whilst it is never desirable to write-off funds or make a loss on a transaction, if the situation costs more to resolve than the value of the actual transaction, it is sound commercial practice to write the debt off or take a reduced offer and move forward. However, should the amount in question relate to a series of expected payments and the dispute may have an ongoing effect across a number of future payments, it is best to reassess the situation.

The next major consideration is the value of the client. If this is an ongoing client where the two parties have previously had a strong working relationship and you reasonably believe that the relationship will continue into the future, then it could be best to come to an agreement for part payment. Whilst the two parties may agree to disagree over the dispute, for the betterment of the long term relationship, it may be best to move on. There have also been cases where a dispute between two parties can escalate and "industry gossip" (true or otherwise) could do reputational damage to both parties within an industry.

Many aggrieved parties often feel that it is their right to take their matter to court however many people fail to understand the fact that it may take 12 months or more just to obtain an initial hearing on the matter. Should the other party be willing to make an offer of compromise, this needs to be considered from a cash flow point of view, as even after the matter is settled in court it could still take months for final payment to be presented therefore the total time taken from the incitation of legal proceedings to time of payment could be years. This is under the presumption that you could actually win the court case.

It must also be remembered that in situations where disputes cannot be resolved and both parties cannot come to an agreement, it is important that management have the whole situation documented with supporting material. Contracts, invoices, purchase orders and correspondence are all important. Our office has seen many legal actions fail in the face of non-existent or insufficient information, this is a major factor that any solicitor will consider before commencing legal action and whilst there may be an *implied* agreement between the parties, this will all come down to a Judge's opinion.

There are also many dispute resolution professionals available for matters where parties do not wish to go to court, however in most cases, they are simply performing the function that the two parties could do themselves, without the cost. Should the matter go to court a Judge may ask for meditation anyway before the Court makes a judgement.

Disputes can happen because of many issues however the major factor in resolving disputes all comes back to communication. No business wants to lose customers but everyone wants to remain commercially viable and resolving these issues as efficiently as possible is always best for everyone.

The Advantages of Having an Advisory Board for Your Business

By Jeremy Carter Managing Director of Rapport Leadership

An Advisory Board is a powerful way to grow the success of any business and despite what some people may say, no business is "too small" to benefit from having an Advisory Board. Better still, setting up an Advisory Board does not need to be a difficult or costly process.

You can think of an Advisory Board as a think tank for your business. Your board members will act as a sounding board for your ideas when needed but more importantly, keep you focused on your business plan and what matters most for your business.

Having an Advisory Board for your small business or not-for-profit organisation delivers many benefits including:



- 1. Providing support and challenge** – your Advisory Board is there to support you and ensure the well-being of your business. They will listen and support you in the difficult times and challenge you in the good times.
- 2. Keeping you on-track** – having an Advisory Board gives you a higher level of accountability to complete the items on your business plan. The board will also keep you from pursuing activities that will not directly benefit your business.
- 3. Enhance innovation** – having your board members share with you their perspective on your business and initiatives that have worked



for them will help you to move from the routine of 'business as usual' to embracing change and innovation as a competitive advantage for your organisation.

- 4. Allowing you to work smarter** – an Advisory Board is a brains trust that will help you find ways to work more efficiently and effectively in your business. They will also challenge you to be a better leader, to delegate more and build a team around you to help your business grow.
- 5. Opening doors** – good board member candidates will have a significant network of contacts that can bring in new business opportunities or assist with projects to increase the chances of success.

How Big Should an Advisory Board Be?

For a small business, an Advisory Board of two to three people is fine. They will meet with you on a monthly or quarterly basis and use a formal meeting agenda to ensure the best results. Some businesses will use a business coach or leadership coach to provide this external perspective, advice and accountability for their business.

Do I Need to Pay Board Members?

You should cover expenses for your board members and offer some refreshments at the board meetings. Paying your board members an honorarium or allowance for their time shows you are serious and will increase your (and their) motivation to get the most value from your time together.

Where Can I Find Board Members?

Think about the people you admire the most in your network of contacts that you could see yourself being able to develop a trusted relationship with. Consider recently retired managers, executives or business owners that you know who could share their knowledge with you. It never hurts to ask and you might be surprised how willing people are to help.

Act Now.. If you are serious about your success that is!

Having an Advisory Board will propel you and your business to the next level of business success. As we say at Rapport Leadership, *"If you want to go fast, go alone. If you want to go far, bring your team!"*

Rapport Leadership can provide advice on a one-to-one basis and assist you with establishing an effective board for your business or not-for-profit organisation. We also present half day workshops on how to set up an advisory board for your business.

For more details, contact Rapport Leadership on 1800 330 027.

Cash Flow – The Life Blood of Business

By Roger Byrne Finance Consultant –Rinkaz Finance

It doesn't matter if you have million dollar contracts and hundreds of thousands sitting in the receivables, if you don't have the money to pay as and when your debts fall due the result is going to be the same. There is a lot to be said for the cash economy from the point of view of being able to sleep well at night – if you can't pay for it now then you don't get the goods or service. This is however not the environment that most of us work with, so it is important to remember a few pointers that may help your business through tight cash flow times

- 1. Be prepared** – sit down and plan what your cash flows are going to look like for the next six months and constantly revisit and update your targets. If you know the cash flow is going to be stretched, being aware of this ahead of time will give you more options regarding how you might handle it (banks, business loans, invoice trade finance, etc.).
- 2. Agree clear payment terms** – if you are not clear on your own payment terms then it is difficult to track your cash flow. Be aware of when invoices are overdue and act accordingly, have a clear process to manage this, and it will be of benefit to both you and your clients.
- 3. Invoice quickly** – if you are going to wait two weeks to invoice a client then it is probable that it will not be paid for a further two weeks as a minimum. Invoice promptly by email and you can have a record of send/received.
- 4. Make getting paid as easy as possible** – within legal circles there are still payments by cheque – online payments are quick and easy – using things like PayPal which can be linked to the client's bank accounts can also be a good idea for certain businesses.
- 5. Use technology to manage cash flow** – online accounting packages enable you to link with bank accounts 24/7 to see payables, receivables and balances on a real-time basis on your computer, smart phone or tablet. This will allow you to manage your cash flow wherever you are.

Finally, it is better to focus on cash flow rather than profits; most businesses fail having the business profit forecasts in place and not managing the cash flow. For start-up businesses especially, you are better working with reliable quick paying customers initially, even if it means slimmer profit margins in order to strengthen your cash flow.

Upcoming Events

15 March 2017 - Condon Insolvency Forum

22 March 2017 - Family Law Seminar

1 to 1 Trusted Specialist Support to those in Business Distress

Condon in the Community **RAA Association (NSW) and Condon Associates Group Annual Golf Day 2016**

Finally, after a false start in August, perfect weather conditions helped make the 2016 Royal Australian Artillery Association (NSW) (RAAA) and Condon Associates Group (CAG) annual Charity Golf Day a redeeming success. Due to adverse weather conditions in August, the rescheduled golf day was finally held on Thursday, 17 November 2016. Thirteen teams gathered to compete for the RAAA Challenge Golf Shield Perpetual Trophy, for the Service teams, and the Condon Associates Corporate Shield for the Corporate teams.

This was the third year Rosnay Golf Club in Auburn hosted the event, and as usual, they aided in creating a warm atmosphere, mirroring the renowned traditional Gunner camaraderie. After a productive and physical day out on the green, the teams then moved into the club's cooled premises where the awards ceremony took place.

Winners on the day were Fairfield RSL for the RAAA Shield and Castletons Accounting Services for the Condon Associates Group Trophy. We congratulate them on their achievements, but must also acknowledge that all who played were in fact winners having had such an enjoyable day.



A key purpose of the event is to raise funds for Legacy NSW, to assist them in meeting the regrettable increasing demand for support from the families of those who have served. This year saw a total of in excess of \$4,000 contributed to Legacy by our players and sponsors bringing the total to date to somewhere in the order of \$18,000. Thank you and a great effort by all involved.

This year we had a number of committed sponsors and our thanks go to RICOH, Matthews Folbigg Solicitors, Scottish Pacific, Economos Accountants, Arthur J Gallagher, Fairfield RSL and the Condon Associates Group for all of their contributions.

Thanks also go to Rosnay Golf Club Pro-Shop, Rosnay Golf Club, Huntington Estate Wines, Mudgee Wines, Bunnamagoo Wines, Courtney's Brasserie, Kouzina Greco Greek Restaurant and Dan Murphy's for donating prizes and gifts. Again a huge vote of thanks go to Condon Associates Group for organising the day. It ran so smoothly, they were able to stand justly proud of their efforts.

The new "owners" of the Shield and Trophy will be challenged this year, date will be advised shortly.



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