



DHM Partners

PREFERRED BUSINESS ADVISORS



Directions

WITH HIGGINS AND MCGAUCHIE

CLIENT NEWSLETTER JUNE 2008

Our bi-annual newsletter aims to provide you with up-to-date information in order to meet your expectations of increasing profit, decreasing tax, growing wealth and controlling stress.



Are all of your customers profitable or are you better off without them?

What a question to ask yourself, but if you don't you could be costing your business thousands of dollars and thus jeopardising your business, your current standard of living and future standard of living in retirement.

A recent survey actually showed that 25 percent of your customers are likely to be unprofitable.

Research has shown the best way to determine if a customer is unprofitable to your organisation is to look at the following:

- 1 The size of their purchases.
- 2 Do they purchase standard products or non standard products?
- 3 Do they purchase high margin or low margin products?
- 4 Do they always demand big discounts and always haggle over prices?
- 5 Do they lack an appreciation of what you are actually providing them?
- 6 Do they listen to what you tell them about the products?
- 7 Are they respected in their own industry?
- 8 Are they unpredictable with what they will purchase and when they will purchase?
- 9 Are they always changing what they will purchase after making the purchase?
- 10 Do they always demand the highest level of support but then do not want to pay for it?
- 11 Do they always never pay on time, if at all?
- 12 Do they always appear to want a win-loss relationship and not a win-win relationship?

This all has an effect on staff structure, staff productivity, staff attitudes, staff retention, staff wages, what storage is required, what equipment is required, pricing from your suppliers, stock obsolescence, level of debt, interest paid, insurance required, freight costs, postage costs, total revenue, how you pay your suppliers, and the list goes on.

This all has a direct impact on costs and revenues and thus how much profit you make or not make and how happy you are in your life.

So when you are having your annual review of your business and are trying to determine ways to improve your profit it is worthwhile allocating the time to review your customer lists.

Brett Higgins
Proud Partner of DHM Partners

Documents Delayed

DHM Partners and Freedom Plus wishes to advise their clients that due to an Australia Post vehicle fire, the arrival of some Australian Taxation Office documents, including Notice of Assessments has been delayed.

In recent weeks we have received damaged and delayed postage articles that have been affected by the fire, which occurred while the items were in transit from Sydney to Melbourne.

Where documents have been damaged beyond repair, we have requested replacement documents from the ATO which will then be passed onto clients as soon as possible.

Australia Post apologises for any inconvenience caused.

Keeping ASIC Informed

If the officers of a company change, or if any personal details change, such as residential address, you MUST tell us within seven days, so that we can lodge the required forms within ASIC's timeframes. ASIC must also be notified if the company's principal place of business changes, or if new shares are issued. Fines for non-compliance can be up to \$270, so please call Leanne on 03 5021 1110, or email leannea@dhm-partners.com.au as soon as these changes happen to your company.



Cash is King!

This time of year we are starting to see the results of our efforts. The common statement at this time of year is "where is the profit?" This question is often answered by a review of the current Stock, Works in Progress (WIP) and Debtors - often this is where the cash is locked up.

Stock Levels and WIP need to be constantly monitored, a system should be put in place to ensure that stock turn is occurring, and when manufacturing projects need to be completed and billed. These items will be discussed in future articles.

The debtors or accounts receivable are a major area that the work can be done to assist the cashflow.

Here are some simple tips to help keep the money coming in:

- 1 Upon commencing trade with new customers the terms and conditions need to be clear and agreed. Any penalty clauses should also be made clear. Agree on credit limits with customers.
- 2 Perform credit checks on new customers; this can be done via a number of agencies that can provide credit history. If the expected debtor account balance is substantial it is now becoming common practice to require a bank guarantee.
- 3 Follow up invoices and statements, especially if they are getting outside the normal trade terms. Registered mail can be also used to ensure the lost in the mail excuse is not used.

- 4 Provide additional methods of payment. Credit card, direct debit and Bpay are becoming more frequently expected in today's business world.
- 5 Recognise any problems at an early stage, contact customers immediately if slow payments occur. There may have been an oversight of the account. The follow up also helps with the business relationship. When things get critical use a lawyer as a last resort.
- 6 An additional alternative is factoring. This then means the factoring company will chase up the accounts.
- 7 Ultimately cash is king and if the funds have not arrived alternatives such as an overdraft must be set up. Be cautious. This is only a band-aid, it does not fix the problem with your debtors and it costs you interest.
- 8 Finally remember it's your money!

Rob McGauchie
Proud Partner of DHM Partners

Freedom Plus Total Administration Solutions!

Freedom Plus can take care of all your bookkeeping needs, systems establishment and training, procedures audit and assessments, weekly/monthly payroll preparation and management and temporary staffing solutions.

Freedom Plus is now also authorised to on-sell MYOB and QuickBooks programs. Both the Mind Your Own Business (MYOB) and QuickBooks programs have a solid reputation when it comes to keeping data in order.

While MYOB is well suited to small to medium businesses, QuickBooks is typically more well suited to small organisations.

MYOB products and services for businesses range from entry level accounting software to multi user enterprise software.

Other products include retail point of sale software, asset management, up-to-date payroll PAYG calculations, payment services, practice and e-commerce solutions.

Small businesses use QuickBooks for most financially-related process - from entering sales receipts, tracking expenses, preparing and sending invoices, sales tax tracking and payment, preparation of basic financial statements and reports and inventory management.

Both programs can help you out by allowing you to keep your records neat and tidy and can greatly reduce the hassle come BAS and tax times when you can leave your files in the capable hands at Freedom Plus.

Freedom Plus will on-sell either of the programs to their clients for a very reasonable price.

If you think making the change to MYOB or QuickBooks could benefit your business, or if you would like to upgrade to a newer version of the software, contact **Freedom Plus on 03 5021 2152.**

Have the Freedom to Travel

Going away on holiday?

Why not use the services of Freedom Plus and their Freedom to Travel initiative?

Freedom Plus can take care of all your banking and mail needs while you enjoy a relaxing break away. They can pay your bills and collect your mail daily. Best of all they can contact you weekly, if desired, to let you know how things are going. Freedom Plus can also alter their Freedom to Travel plan to lend a hand to the elderly who might have trouble keeping on top of their account payments, banking and mail.

For further information contact Freedom Plus on 03 5021 2152.



Superannuation Gearing - It's a Reality

Self managed superannuation funds (SMSF's) now have the ability to gear investments, in very strict circumstances.

Previously SMSF's were prohibited from borrowing, however recent law amendments have removed these restrictions.

This provides trustees with the ability to achieve greater investment returns than what may have otherwise been possible.

Property and share investors have been particularly interested in the recent law changes as it may allow them to acquire a larger investment portfolio within their SMSF, that they may otherwise have not been able to require.

Legal and accounting advice should be sought before entering into a gearing strategy within your SMSF.

If you are interested in a gearing strategy for your SMSF then please contact **DHM Partners** on **03 5021 1110**.

Estate Planning in the Headlines

In recent time we have seen the tragic deaths of actor Heath Ledger and football commentator Clinton Grybas.

What has compounded the grief for the respective families has been the lack of estate planning that is evident in both circumstances.

In Heath Ledger's case although a will had previously been completed, it hadn't been updated to take account of his changed circumstances. As a result the will made no provisions for his daughter Matilda or her future living expenses.

To compound the problems, Heath's uncles have stated they have concerns over Heath's father's ability to manage the estate after they allege he mismanaged their grandfather's estate.

The will may be contested to address the perceived unfairness, however this may prove to be a costly and time consuming process for all those concerned.

Clinton Grybas did not have a will. Recent media reports now claim that his girlfriend is in dispute with his parents as to how his assets should be divided.

If no resolution can be found between the parties then the matter may well end up in the courts. Again, the costs of this could substantially reduce the size of the estate for all parties - everyone may be a loser.

What these examples illustrate is that a will should firstly be prepared and secondly that it should be reviewed on a regular basis to make sure it remains valid to your current circumstances.

While it is impossible to "govern from the grave" it is possible to reduce the disputes that may arise between beneficiaries.

Greg Milton Financial Planner

This information is of a general nature only and has been prepared without taking into account your particular financial needs, circumstances and objectives and should not be construed as financial, taxation or legal advice. Before acting on the basis of this information, you should consider its appropriateness for your own objectives, financial situation and needs.

June 30 Reminder

Freedom Plus would like to remind their clients that June 30 is fast approaching and that means all Work Cover re-numeration forms need to be completed and BAS preparation should be well underway. Please also note that employee payment summaries are due on July 14.

Audit Insurance

Audit Insurance covers the fees incurred when an accountant/bookkeeper assists you to respond to an audit, review or investigation of returns lodged with the Australian Tax Office or other government agency. Have you arranged your audit insurance? For further information telephone Emma at DHM Partners on 03 5021 1110.

Freedom Plus
Total Administration Solutions



In the end it's the quality that counts!

*Complete Bookkeeping Services (GST / BAS / IAS / Onsite visits)
Systems Establishment & Training (MYOB / Quickbooks)
Administrative Audits & Assessments - Fraud Prevention
Payroll Administration & Management - Human Resources*

www.freedomplus.com.au

Phone 5021 2152
164 Lime Avenue Mildura



Our New Team Members

Kylie Crouch



After studying part-time as a mature-age student for 5 years, I graduated from La Trobe University, Mildura with a Bachelor of Commerce in March 2007.

I commenced working with DHM Partners in November 2007 in an accounting role and have thoroughly enjoyed my time here so far. I look forward to developing my career within an ever-changing industry.

I have quite a number of years experience working in an accounting practice having previously worked for a local accounting firm for 10 years in an administrative role. When I am not at work, I am almost always found spending time with those most important to me, my three children, husband and family.

If by chance I have some spare time, you'll find me reading a book, riding my bike, out for a walk or just relaxing.

Martelle Page



I started working for DHM Partners in November 2007.

Being born and bred in Mildura then working in an accounting firm in Adelaide for 13 years, it was really great to move back.

I am enjoying my time at DHM Partners and find the staff very professional and friendly.

After work I enjoy spending time with my three boys - husband, dog and cat.

Moving back to Mildura has also enabled me to catch up with family and friends more. If I get the chance you will find me fishing, walking the dog or just reading a good book.

Zoey Carter



I came to DHM Partners/Freedom Plus in January this year after working nearly four years at a local newspaper.

My position here is obviously vastly different from my previous role as a journalist and has brought a few challenges - but I've thoroughly enjoyed this learning experience!

I've found the staff here at DHM/Freedom have been exceptionally welcoming and are always on hand to offer assistance. I'm now looking forward to a long and successful career in bookkeeping!

When I'm not working I like to spend time with my fiancé, family and friends, play netball, walk my dogs Claire and Sparkles and go back home to Werrimull.

Client Parking

Clients of DHM Partners and Freedom Plus are reminded that there is visitor parking available for their convenience. Specially marked parking spaces can be found in the laneway on the 10th Street side of the building.



DHM Partners
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Contact Us
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03 5021 1110

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Rob McGauchie (Partner/CPA)
Email robm@dhm-partners.com.au

Greg Milton (Financial Planner/CPA)
Email gregm@dhm-partners.com.au

www.dhm-partners.com.au

Client Update Form



It is important you let us know if any of your contact details change. Simply fill out the form below and return it to our office.

Name _____

Residential Address _____

Postal Address _____

Home Phone _____ Business Phone _____ Mobile _____

Preferred Contact Number _____ Time _____

Email Address _____