

Perriam & Partners Ltd

Chartered Accountants & Business Advisors

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BEHIND THE NUMB3RS



Taking Control—How To Steer Your Business Through Some Pretty Trying Times

The economic slowdown is here, upon us now, so the last thing we need to do is to dwell on the past and what could have been because it ain't!

Now is the time to step up to the plate and show your fellow co-workers, employees and competitors that you are not going down without a fight.

Many of us have never been faced with a downturn of this magnitude so ideas and strategies to help us ride out this storm may be scarce.

So the real risks need working on now!

- ◆ Storing up revenue streams.
- ◆ Cutting non-essential expenditure
- ◆ Ensuring you get your money from your customers.

In the past you may have been able to ride over small downturns (say) by extending your overdraft tomorrow, that might be just the start.

The most important tool right now in your arsenal is the Cashflow Forecast.

Do it right and it will highlight potential risks about payments and income and this will allow you time to take some action.

So for many of us you are entering uncharted waters.

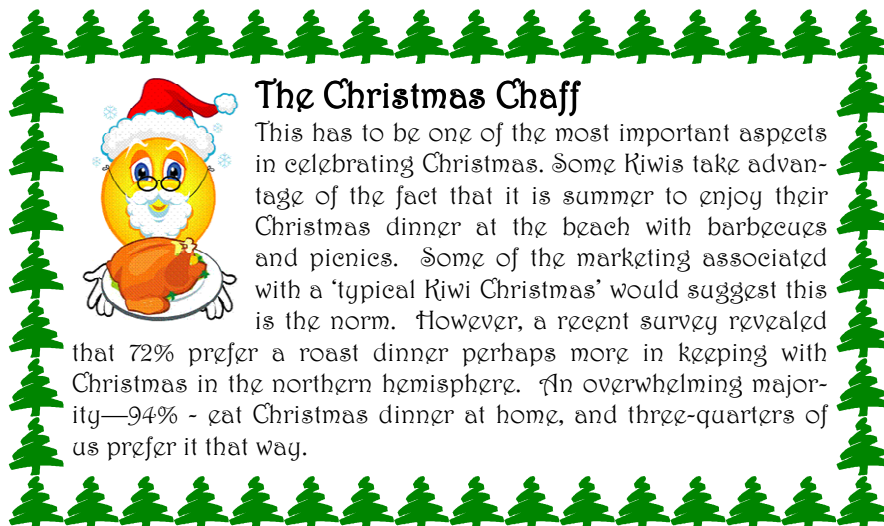
Perriam and Partners offers you some advice

- ◆ Work out what your core of the business is, and be sure not to cut out the good bits.
- ◆ Do some "what if" scenarios if sales drop by a certain amount.
- ◆ Understand your "break-even".
- ◆ Don't rely on promises.
- ◆ Make decisions and stay resolute, don't fret.
- ◆ Get your staff involved in cost cutting measures.
- ◆ Don't panic, your composure and leadership skills are now required in abundance.
- ◆ Keep smiling it will rub off on others who have a connection with your business.
- ◆ Be honest with yourself. Best business practice may be to cut your losses and move on.

Now most of this advice we appreciate is just good old common sense but, when pressure and stress come into the mix there is an incapability to make these simple decisions.

Be prepared with your strategies and a good mindset for these could well be the difference between being a casualty or a survivor in the next few years.

Perriam and Partners are here to ride the journey to see that you are a survivor.



The Christmas Chaff

This has to be one of the most important aspects in celebrating Christmas. Some Kiwis take advantage of the fact that it is summer to enjoy their Christmas dinner at the beach with barbecues and picnics. Some of the marketing associated with a 'typical Kiwi Christmas' would suggest this is the norm. However, a recent survey revealed

that 72% prefer a roast dinner perhaps more in keeping with Christmas in the northern hemisphere. An overwhelming majority—94% - eat Christmas dinner at home, and three-quarters of us prefer it that way.

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CHANGES TO PERSONAL TAX RATES AND THRESHOLDS

Reductions to personal tax rates and changes to personal tax thresholds will be phased in over three years starting 1 April 2009. These changes will result in the following personal tax structures (changes in **bold**):

From 1 April 2009

| | |
|----------------------------|------------|
| \$0—\$14,000 | 12.5% |
| \$14,001 — \$48,000 | 21% |
| \$48,001 — \$70,000 | 33% |
| \$70,000 + | 38% |

From 1 April 2010

| | |
|---------------------------|------------|
| \$0—\$14,000 | 12.5% |
| \$14,001— \$50,000 | 21% |
| \$50,001 —\$70,000 | 33% |
| \$70,000 + | 37% |

From 1 April 2011

| | |
|-------------------|------------|
| \$0—\$14,000 | 12.5% |
| \$14,001—\$50,000 | 20% |
| \$50,001—\$70,000 | 33% |
| \$70,000 + | 37% |

Can you make it cash, Santa? I'm going to save for a ?

Perhaps more than ever this Xmas is a great time for teaching your kids about money.

This festive season will be a good time to install some good money values.

On the one hand they can learn that they get every last consumer good they want on an express delivery from Santa, so Mum and Dad don't have to work to pay for the presents (yeah right!) and then it's a slippery slope to an appetite for spending in adulthood for many.

As Xmas is often a time of high spending and and high expectations among many children consider gifts that have more value or that keep on giving.

Many people don't like to give cash or cheques to children preferring to see young faces light up when they pull out that brightly coloured, all the bells and whistles plastic toy. But many of those toys will be abandoned by boxing day whereas a gift of money if handled well could provide a real education opportunity for the Children.

Looking at the traditional boxing day sales could well provide that "value for money" opportunity.



A Thought!

"No one can be blamed for not knowing what to make of it all, or what to do next.

"Having said that, right here, right now, things will remain pretty uncertain for businesses for quite a while". It just may well be that we need to get through the upcoming holiday season first.

Enjoy!

Purpose with Profit

Kiwi Traditions: so what's in and what's out for Xmas.

New Zealanders were asked to vote for the activities they treasure and those that seemed to be on there way out. Just like voting for a favorite song or movie, some traditions made it onto both the 'what's hot' and 'what's not' lists.

What's hot

Celebrating with family—73%
 Eating a roast dinner and Christmas pudding—72%
 Easting inside—69%
 Sending Christmas cards—66%
 Decorating the tree as a family—65%
 Santa Claus—47%
 Hanging Christmas stockings—42%
 Buying all the family a present—41%
 Making a Christmas fruit cake—36%
 Buying a real Christmas tree—36%
 Carols by candlelight—31%
 Going to church—26%
 Watching the Queens message—20%

What's not

Watching the Queens message—47%
 Making a Christmas fruit cake—42%
 Going to church—41%
 Carols by candlelight—37%
 Buying a real Christmas tree—22%
 Hanging Christmas stockings—20%
 Buying all the family a present—19%
 Decorating the tree as a family—14%
 Santa Claus—12%
 Eating a roast dinner and Christmas pudding—8%
 Sending Christmas cards—7%
 Celebrating with family—7%
 Eating inside—5%



Be warned: Don't wait to feel the heat before you become sun smart.

As you head outdoors this summer break don't underestimate the burning power of the early sun.

And we should all remember that the sun does not have to "feel" hot to burn and that can be a dangerous misconception.

The Health Sponsorship Council advise that over-exposure to the sun's UVR is the cause of over 90% of all skin cancer so to you all—please remember the sun safety rules

**Slip!
 Slop!
 Slap!
 Wrap!**

CHRISTMAS CLOSING DATES



good
is advice
always
on the cards

"A great thing about Christmas is that it's compulsory, like a thunderstorm, and we all go through it together"

Please note that our offices will be closed from
 Tuesday 23 December 2008 at 12.00pm and will re-open on Monday 5 January 2009 at 8.30am
Merry Christmas from all of us here at Perriam and Partners

Purpose with Profit

Hammering Home Your Uniqueness

You've heard that Rudolph the reindeer had a shiny nose. You've heard of Coke's secret formula. You've heard that a Volvo is a safe car.

So which of the above statements are true? And which are false? And how can you tell?

What you can tell for sure is the sense of uniqueness: Rudolph has a shiny nose; Blitzen does not.

Coke has a secret formula; Pepsi does not.

Volvo is a safe car; so is a Lexus not quite safe?

You don't know, do you? You don't know for a fact if a Lexus is safer than a Volvo.

What you do know is that Volvo has driven home the safety angle so many times that when most people say "safe" and "car" you tend to say the brand name Volvo.

Coke understood the very same concept. When John Pemberton "invented" Coke, there was little or no mention of the secret formula. Asa Candler, who bought the Coke formula from Pemberton, popularised the concept of the formula.

Because, you see, Coke wasn't Coke was advertised as a "brain Coke could cure headaches. And your nerves. And from those The formula that is seemingly formula that few on this planet But we all know about the secret ens of information sources) per-again.

So, are you getting what makes You thought that uniqueness was right? And you're right, but only business like, say, a flower bou- you had a "secret formula" that wilting.

Would that make you unique? Sure it would. But just you and a few others would know of that uniqueness. For uniqueness to really work well, you cannot simply create a point of difference. You've got to drive home the concept—time and time again. Your signage should say: "Flowers that Last Two Weeks Without Wilting". Your flowers should sit in the store window with a date on when they were last replaced. (Demonstrating that they have been there two weeks—yes, without wilting.)

It's only when everyone and every things starts to say the same message over and over again— and demonstrate the uniqueness in many ways—that you create uniqueness. Until you create a synergy in your branding, your uniqueness is not worth a cent.

It's not much use simply having your uniqueness on your business card. Or paying lip service to your uniqueness while speaking at some event.

Or putting it up on your website. Just tacking on your uniqueness to some marketing is not going to help you one itty bit. You need to drive home the uniqueness factor in different media, over different situations, and in as many ways as you possibly can.

You know Rudolph has a shiny nose because you've heard it squillions of times in the song. You've seen it on greeting cards. Every cartoon that ever involves Santa seems to include Rudolph's headlight nose.

And Rudolph doesn't even exist. You can't see him. Meet him. Touch him.

Yet you believe in his shiny nose. It's not enough to have a shiny nose business.

Your uniqueness alone is not enough.



that thirst-quenching drink to start with. tonic". The advertising claimed that exhaustion. And be used to calm down claims sprouted the "secret formula", locked in a vault in Atlanta. That unique have laid eyes on.

formula. How? Because Coke (and doz- petuate the same message time and time

your business unique?

a factor of what makes you different, partially so. Because imagine you ran a tique on Queen St. And let's imagine made the flowers last two weeks without