

Better Business

Strategies for managing your business



Accountants 
First

Knowing the rights of your customers

New Zealand's retail sector employs about 20 percent of the nation's workforce, making it one of the country's largest employers. It accounts for 7.5 percent of the GDP and, since 2003, continues to be the fastest growing industry sector year on year.

At some point, every New Zealander is a retail customer but how many businesses out there understand the laws surrounding consumerism? Where do you and your customers stand when it comes to returns and refunds?

Under New Zealand's consumer law, and as a basic premise, a customer has no automatic legal right to return goods to a retailer and seek a refund. They are entitled, however, to a refund on goods under the following circumstances:

- They cancel their order during a credit contract cooling-off period.
- You agreed to a special deal allowing returns if they changed their mind.
- The goods do not reach a basic and reasonable level of quality and performance.
- The goods were faulty or defected and they were not informed so at the time of purchase.
- The goods do not perform in the way that the customer was led to believe.
- The goods do not match the description given or sample shown at the time of order.
- They were induced into making a purchase through misrepresentation.

A customer has the option of selecting a free repair, exchange or credit note rather than a refund and they may also be entitled to compensation for any loss or damage caused by faulty goods. If you have refused to fix a faulty product or fail to do so in a reasonable time, the customer can have it repaired elsewhere at your own expense.

In the event that a customer simply changed their mind or when the damage is caused by the customer's own negligence, the seller has no legal obligation to offer a refund.

Retailers should provide reasonable time limits for customers to return their goods and should be aware that they need not be returned in their original packaging if faulty. A receipt or proof of purchase should always be requested and the refund be given in the manner in which the original payment was made ie. credit card reimbursements.

Retailers are not obligated to use signage to explain their policy regarding returns but if they do, signs must clearly state what customers are entitled to. Retailers must not falsely represent the rights of the customer and signs stating 'no refunds' are illegal.

The following statement is a suggested option for the use of relevant signage for businesses:

'Please choose carefully. We don't normally give refunds if you simply change your mind or make a wrong decision. You can choose between a refund, exchange or credit note where goods are faulty, wrongly described, different from a sample shown to you or don't do what they are supposed to do. Please retain your receipt for proof of purchase.'

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Making the most of the Rugby World Cup



The Rugby World Cup 2011 will kick off in Auckland on the 9 September, which means there's not much time left to plan how your business can make the most of this one-off event.

Expected to attract up to 85,000 foreign visitors, the games are forecast to increase New Zealand's GDP by 0.5%. While this might not sound like much, it could amount to a \$540 million injection into the economy. Transport, event management and tourism businesses are the most likely to see a direct benefit from the 45-day event, but other businesses in the host cities and surrounding areas can benefit with a little bit of strategic planning.

New Zealand has been through a lot over the last year and many businesses and individuals have experienced financial hardship as a result. The Rugby World Cup will be an excellent opportunity to offload some of those financial burdens and to rebuild what was lost. With the games just around the corner, it's time to get started! What will you and your business do to take your piece of the action?

- Look for business opportunities - there might be direct opportunities for someone running a tourism business to benefit from the influx of visitors, but there are also a large number of indirect opportunities to explore, for example an interior designer taking

advantage of hotels wishing to expand their décor.

- Find out about related events – business opportunities might not come from the match itself, but rather the people watching the game at fan parks, or from participating in supporter events.
- Plan and prepare – this might involve buying additional stock and equipment, hiring new staff, extending trading hours or printing advertising materials.
- Research your legal restrictions – do not attempt to suggest an association with the tournament which does not exist.
- Don't chase away customers – is your business easy to find? Can people easily find the stock they are looking for? Is your building accessible with on-site parking? How good is your customer service?
- Encourage word-of-mouth referrals and focus on networking – work with other businesses in your area and arrange some sort of cross-promotion. Invite tourism associations to experience what you offer so they can recommend your business to tourists.

With the right planning and preparation, one-off events like the Rugby World Cup 2011 can provide additional income and profit for your businesses, provided that you position yourself appropriately to benefit from it.

The cost of illegal software

Small business owners and entrepreneurs, who are running a company by the bootstraps, may be tempted to minimise their expenditures by utilising a pirated software.

While the cost of fully purchased software, particularly those in specialist niches, can be a lot and with the hassle involved when it comes to shipping, credit terms and licencing, downloading or purchasing a copy from a pirate may save you thousands of dollars and could keep your business running smoothly for decades. The cost of

being caught, however, far outweighs this and the result could be civil or even criminal proceedings from the company who owns the software's copyrights. This is a worrying issue for business owners as, a lot of the time, they may just simply be in accidental breach of their software licence and could, perhaps unjustly, end up with huge fines or criminal charges against them.

Last year, a whopping 35 percent of all software installed on PCs worldwide was illegitimate. The unauthorised distribution and use of copyrighted computer programs accounted for more than \$59 billion in global losses in 2010 alone.

The Business Software Alliance (BSA), the most diligent global watchdog currently operating, whose members include Microsoft, Adobe, Apple, Macromedia, Symantec, Veritos, Dell, IBM and more, are an extremely powerful alliance and take licencing breaches seriously. They regularly communicate with corporations, governments and other important bodies and spend a fair amount of time collating data and information regarding suspected pirates. The BSA regularly performs audits on companies and administers fines where necessary. If a company is unable to provide correct licencing proof, they are susceptible to huge fines.

Companies can also be held liable for employees' actions at work. If an associate is caught installing unauthorised software or downloading it off the Internet, a lawsuit can be brought against your company for copyright infringement – even if management is unaware of the offense.

Businesses should be weary of what's going on their computers, they should always ensure that their software licences are paid for and are up-to-date and they should take appropriate, pre-emptive actions to combat any potential trouble they may land in. If you are unsure about your current licencing status, you should seek immediate assistance from an appropriate advisor. It could save you millions!



Women in the workplace



Are you supporting the women in your organisation to reach their potential so your company can reach its full potential?

Women today make up over half of the population. There are more women than men being educated at secondary schools and universities, and more women than men graduate with bachelor degrees.

Companies worldwide are beginning to realise the importance of having a gender balance in their workplace. Despite this however, women are still not supported enough at work to reach senior positions and businesses are missing out on the opportunities that come with a balance of gender in senior leadership teams.

Studies show significant improvements in decision-making quality in more gender balanced leadership teams as women bring new perspectives and skills to the table. Having women on your senior team brings a more holistic approach to decision-making and success and can result in greater financial turnovers for your business.

So how can you, as an employer, help your female workers achieve their full potential?

- Take time to understand the factors which women consider important in feeling successful. Women use holistic measures for success rather than one dimensional factors like financial security and academic or work related achievements. Such measures include: a passion for what they do, hard work and determination and the ability to get along with others.

- Women often want management skills training, coaching and flexible working environments, and these are the sort of things employers should take into consideration.
- Understand how women like to be remunerated. Recognition, acknowledgement and flexibility tend to be the preferred currencies over money.
- Identify the talented women in your organisation and the roles in which they currently work. Women will typically undersell their abilities but it is important that they take equal time to look at their strengths rather than focusing solely on their deficiencies.
- Provide opportunities which enable women to continue to develop their leadership skills. Identify where they sabotage their success and work out ways to manage this.
- Ensure that the culture of your organisation is one in which both men and women are encouraged equally.
- Provide senior mentors both internally and externally and take time to understand what drives and motivates the women in your company.

We live in a new day and age where women are seeking to achieve their potential at work. It is time that we embrace gender equality in the workplace and open the doors to equal opportunity, so that everyone can succeed together.

Required employment agreements

As of 1 July 2011, employers must keep copies of employment agreements or terms and conditions of employment for all employees, signed by both parties, or they could face new penalties.

Employment agreements have been required by law since the introduction of the Employment Relations Act 2000, but there has been evidence that many workplaces still don't have agreements in place. This new deadline will put responsibility on all employers to ensure that requirements are met.

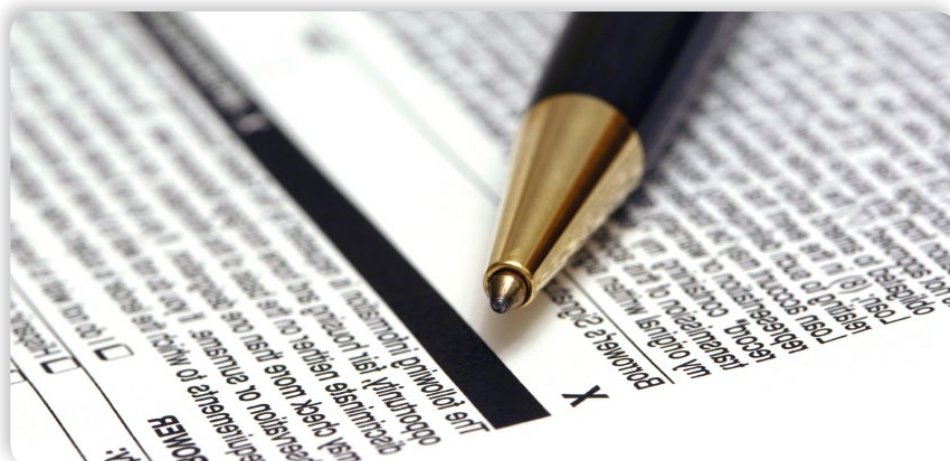
It is, by law, the employer's responsibility to maintain and keep an up to date copy of each employee's employment agreement that reflects the current terms and conditions of the employment relationship and an employer must provide a copy of the agreement at any time if it requested by an employee.

If a 90-day trial period is agreed between the employer and the employee, it must be in the written agreement before the employment begins, otherwise the trial period doesn't comply with the law.

Recent changes to the Employment Relations Act give labor inspectors the ability to seek a penalty against an employer who is in breach of employment agreement requirements.

There are penalties of up to \$10,000 for individuals and \$20,000 for companies who fail to comply with legislation.

You should seek professional advice when developing an employment agreement to ensure that you have included all required provisions and that you have met all of the minimum conditions of employment and included them in your contracts.



What is your positioning strategy?

One of the most powerful and effective branding exercises you can do for your business is to develop a positioning strategy. A positioning strategy is what differentiates your business from any other brand. It is the image that you are trying to create in the eyes of your customers.

Positioning focuses on the target market segment you are seeking to serve and the differential advantage with which you will compete with rivals in that segment. Ferrari, for example, is a brand which is positioned in the prestige segment of the car market and has a differential advantage based on high performance and exclusivity.

Domino's Pizza, on another hand, originally positioned itself with the strategy 'delivered in 30 minutes or it's free'. Rather than attempting to sell pizza like every other business in their market, they got the public's attention by selling delivery. Obviously Domino's had to be sure that the infrastructure was in place to make good on their promise. But as people stood at their doors hoping their pizza

would arrive for free at 31 minutes, Domino's positioning strategy worked and the brand gained immediate attention.

So what can you do to stand out from the crowd?

Your positioning strategy should directly address your customer's desires and your target segment. It should be clearly defined in the marketing plan and will have an important impact on your marketing mix. It will dictate the type of product you're selling (ie. high quality, low quality etc), where it will be sold, how much it will cost and how you will reach your target audience.

A positioning strategy is not simply a fluffy slogan, it is a serious promise to your customer to perform. It tells them why they should give a damn about your company. Positioning, when done correctly, can be both powerful and empowering to your employees. Once established, the brand must live up to their promise. As long as it is authentic, then it won't as daunting as it might appear.

Often, the most effective positioning strategy is also the most simple. Be creative and think outside the square. Always remember

though, that a great positioning strategy is NEVER price but is the reason that you are a leader. Everyone follows the leader. Perception is reality, so the perception on the street has to be your strongest offer.

A great read

Title: *Outsell Yourself*

Author: Kelly McCormick

If you are interested in improving your business sales, then you just might be interested in this.

After owning three successful businesses and her years of business coaching and consulting, McCormick has released her new publication 'Outsell Yourself', a sales and marketing handbook and survival guide for business owners and entrepreneurs.

McCormick uses the term 'outsell' as an acronym for:

Open your mind to success
Unleash your real value
Tap into your client's buying motivation
Sell without selling
Lead with your best solution
Listen to hear YES

... with each phrase having its own chapter. As you read through the book, keep these elements in mind. There are lots of stories and insights to inspire you, as well as some great tips and summaries to help you improve your marketing strategies.

McCormick shows you how to Go from Hello to Sold with clear-cut, career-revitalising changes to how you think about selling. You'll discover how to stay on the high ground and take the sleaze out of selling, personalise your pitches, use a gender-specific sales approach with women and with men and discuss your prices and fees without feeling nauseated.

Have you ever sent a proposal and the recipient suddenly did not return your calls or emails? Kelly fixes that problem. Are you worried about pricing services and willing to offer a discount to get the deal? Kelly explains a better strategy.

If you've been working in sales and marketing for a while then nothing in this book will be new to you. It will, however, be a good reminder and could be an excellent addition to your bookshelf.

We are sometimes asked if we are able to help additional clients. We are a growing firm and do appreciate your referrals. We consider it a compliment when you recommend us to your friends and business contacts.

WEB WATCH

ESSENTIAL SITES FOR BUSINESS OWNERS

www.drypen.in

Drypen is a community based marketing resource containing forums and articles regarding branding and positioning, media content, sales promotion and public relations. Their large database of information offers insight into the concepts that make a difference in business.

www.bsa.org

The Business Software Alliance, the software piracy police, offer free scan and audit tools for those suspecting that they're in breach of software licencing. Don't worry, the BSA does not gather or receive any identifying information on companies using free software audit tools.



REMINDERS FOR YOUR DIARY

August

22 Employer deductions form and payment due and Employer monthly schedule due.

29 GST return and payment due.

Provisional tax instalments due for people and organisations with a March balance date.

September

20 Employer deductions form and payment due and Employer monthly schedule due.

28 GST return and payment due.

30 Deadline for existing LAQCs to apply to become an LTC.