



In this edition

Building Business Resilience for Long Term Success

Is your current Strategy right for you?

What's your plan?

End of Financial Year Party Invitation

Building Business Resilience for Long Term Success.

For those of you who may have missed Tony & Marni's *Small Business Week* presentation, we have included below some of the important takeaways that we feel can help build business resilience.

When it comes to business, and as with any journey, before you commence it is important to consider the Big Picture. What is your end goal? What do you want to achieve? Why are you in business? Why would you want to improve your business? What keeps you awake at night?

Getting the business building blocks right and having effective measures of the health of your business to keep you on track for long term success, will most certainly set you on the right path to building resilience in your own business.

The Building Blocks that you will need in place for business are:

- The right structure - consider family circumstances, taxation, asset protection, succession planning, equity sharing etc.
- The right team - clearly defined roles and expectations.
- The right, saleable product or service with opportunities for the future, and an efficient operation to support it.
- The right marketing approach - know your target market and tailor your efforts.
- The right financial resources.

You will need to design your building blocks to support the structure and processes that are aligned to achieve your goals. Getting the building blocks right from the start will set you up in good stead for the future. You'll then need to focus on monitoring and measuring.

Measures of Business Health. There are a number of different measures of business health designed to help identify any issues early, so that you can make the necessary changes to get back on track if you need to. Three of the measures that we commonly look at are:

1. Profitability
2. Working Capital
3. Funding & Serviceability

Profitability shows how efficiently a business is using its materials and/or labour in providing their product or service, and how effective a business is at converting their sales into profit. It's good to compare your profitability to your particular industry benchmark, understanding that your business may operate differently, but it's worthwhile to have as a guide. There are a number of different strategies that we can work through with you to help increase revenue or reduce costs that can improve your profitability.

Working capital is the money needed to fund the day-to-day operations of the business. Understanding how long your money is locked up for is a great way to

measure the health of your business. Looking at ways that you might be able to make changes, like reducing debtor days, in your business will make improvements to your cash flow.

Ensuring that you are able to fund and service your debts and have a plan to better manage your working capital to improve things like your debt ratio, is also essential to building better business resilience.

Having a good understanding of your numbers can help you to analyse the impact of your business decisions. If you have the right building blocks, with the right structure in place in addition to the right monitoring process, you can facilitate business growth and long term prosperity for your business.

If you would like further information, or a copy of the presentation, please email execassistant@evansedwards.com.au or phone Tony or Marni on 4927 4588 to discuss how they may be able to help you build resilience in your own business.



Is your current Strategy right for you?

Mortgages are more affordable now than they were in 1990, according to recent analysis by the Property Investment Professionals of Australia (PIPA). PIPA examined the average size of a home loan, the standard variable rate, principal and interest loan payments, and the annual average wage from 1990 to present day. In 2018, one needs 40% of the average annual salary to make mortgage repayments. In 1990, a person needed 48% of the annual salary.

"Home loans are as affordable now as they were in 2010 and actually more affordable than 28 years ago," PIPA Chairman Peter Koulizos said. He saw that interest rates played a major role in driving affordability and the current low rate environment keeps property prices accessible.

When home loan interest rates were 17% in 1995, an average person would need to spend 35% of his or her annual income to pay the mortgage. (Source: MP May 2018).

For those people who do have a mortgage, this is a substantial amount of your income that is directed towards paying off these loans, so it's a good plan to ensure that you are making best use of your hard earned cash by making sure you have the best deal, the right structure to ensure you are maximising your savings, and the right disciplines in place to ensure that you meet your loan obligations now and into the future.

If you are unsure if your current strategy is the best one for you, Vicky or Shaun in our Wealth Creation team should be able to help you. Give them a call to discuss different ways that you may be able to maximise your plan.



It's almost that time of year again! As the end of the financial year approaches, not only does it bring to mind that it's time to start thinking about your tax planning and what you need to get your tax done, but it also provides an ideal opportunity to take a look at your current financial position and whether or not you are on track.

It's a great time to refine your existing business plan, or put in place a plan for the new year, to continue to achieve goals that you have set for your business, yourself, and/or your family. Give us a call on 4927 4588, or come in and see our team so we can help tailor a plan that is right for you.

We look forward to seeing you at our Bring in the New Year Party on 22 June! Please RSVP if you haven't already.

Please join us to bring in the New Financial Year!

You are invited to join us to celebrate the year that was and help us bring in the New Financial Year!

Date: Friday 22nd June

Time: 5:30pm to 8:00pm

Venue: The Heritage Hotel Beer Garden
Quay Street, Rockhampton

canapés & beer, wine & softdrink will be served

Please RSVP by 11/06/2018

to execassistant@evansedwards.com.au

We look forward to seeing you!



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