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# Management Update

Report: Leo D'Angelo Fisher

## In volatile times, always follow the money

One of the best ways to help keep a business solvent is sound debtor management, says Colin Porter, managing director of online credit reporting service CreditorWatch. "It's not just about keeping an eye on overall levels of outstanding debt," he says. "It's essential to monitor individual customers to ensure as many as possible are paying their bills on time." CreditorWatch provides credit histories for micro and small businesses, a market that is most exposed to economic volatility, Porter says. "Micro and small businesses are often the ones that default first ahead of

larger businesses, so it's important to track this market to keep ahead of the curve." Porter also advises clients to monitor industry sectors and identify clients from sectors that are known to be struggling. The head of debtor finance at Oxford Funding, Rob Lamers, also has advice for business owners. In a tough business environment, he says, staying cash-flow positive is critical. "Ensure you have enough capital to see you through the peaks and troughs," Lamers says. "A business with its finances in order is more likely to survive falling confidence and sluggish consumer demand."

## Best online trainers receive tick of excellence

Online training company SkillSoft has announced the winners of its 2011 e-learning awards. They were announced at SkillSoft's annual user conference in Sydney on August 10. SkillSoft's regional managing director, Glenn Nott, says

the winners highlight "the ever-changing landscape of e-learning and its integral role in business growth and success".

The winners include Telstra (industry achievement), Mincom (program of the year),

Westpac (best strategically aligned learning program) and CITEC (innovation). "Each of the award recipients employs a dynamic knowledge infrastructure that provides them with the flexibility

to scale and adapt to the changing learning needs of the organisation," Nott says.

Other winners include WorleyParsons, Westpac NZ and Avis Budget Group. Datacom NZ was named learning champion of the year.



## Super boss voted the most super of all

Terry McCredden, pictured, the chief executive of the \$29 billion higher education and research sector superannuation fund UniSuper, has been named as the fund executive of the year by the Fund Executives Association. UniSuper chairman Chris Cuffe

says the award recognises McCredden's "outstanding leadership, innovation and achievement". He says McCredden had introduced a national advisory service for members, an in-house investment capability and "steered the fund through the global financial crisis and its

aftermath" since becoming chief executive of UniSuper in 2008. He will receive a \$20,000 education grant. McCredden, previously the chief executive of Telstra Super for 18 years, says he is "deeply honoured and humbled" by the award.



## Business break-ups are hard to do

Business partnerships are not unlike marriage, says intellectual property specialist Michael Beverley. Even the strongest union can end up in bitter divorce. Beverley, managing partner of Queensland intellectual property firm IP Wealth, says business partners, like romantic partners, tend to believe in happily ever after, which is why nobody thinks of preparing a prenuptial agreement. Businessman Greg Wilcox wishes he had thought of "setting out in cold hard words how a break-up would be handled". Ten years after starting a successful air-conditioning business, Wilcox brought in a partner. He later had a falling out with this business partner, who left to form a rival business using the same trading name. Wilcox had not secured ownership of the brand through a trademark registration. "I did not think we needed a specific legal document setting out who owned what," he says. The similarly named competitors created confusion. "Suppliers were delivering parts to the wrong address and contracts were going to the wrong place," he recalls. "It was a mess." Trademark umpire IP Australia eventually found in Wilcox's favour but the cost to the business was "incalculable". "You need to take into account not just the actual cost of the trademark attorney and the lodging fees," he says. "More important are business disruption, market confusion and my time away from doing what I do best."

## Begin with the end in mind

Entrepreneurship academic, author and presenter Tom McKaskill – a serial entrepreneur in his own right – says luck plays a part in discovering new ideas but a systematic approach to conceiving, evaluating and executing ideas ensures the best results. "Innovation is at the heart of competitive advantage," he says. "You don't have to create the next SEEK to make a difference. Start with what you can do to improve your client experience. Every improvement will contribute to better profitability, resilience and growth." McKaskill also urges emerging entrepreneurs to plan for succession. "Begin with the end in mind, work backwards and remember value is in the eye of the beholder," he says. "It doesn't really matter what you think the business is worth; it is what it is worth to the buyer which is critical." McKaskill is the author of *Selling Your Business for a Premium and Masterclass for Entrepreneurs*. He is a former Richard Pratt Chair in Entrepreneurship at the Australian Graduate School of Entrepreneurship. McKaskill will be a keynote speaker at the Recruitment and Consulting Services Association's conference Targeting Innovation for Productivity at Port Douglas, Queensland, from August 31 to September 2.