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# CORE | *thinking*

HMCR Newsletter | **Winter 2010**

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## Ready, Set... Goal!

Goals are a great motivational tool; they can be invaluable in the workplace and other aspects of your life. Goals are simply commitments to achieving particular objectives.

Often business owners are well aware of the benefits of setting goals – it's the mistakes they make when creating effective goals that can let them down.

### Tips for effective goal setting

- Goals need to be clear, direct and most importantly definable.
- Goals need to be meaningful to both the employer and the employee. They should also be easily measurable.
- The goals set should be appropriate to the experience, training and responsibilities of the employee.

- Goals should challenge the employee but also be achievable.
- The goals should have an identifiable time frame for completion.

Goals that are created with input from both the employer and the employee are most effective. The more involvement an employee has in the development of individual goals the more committed they will be at achieving them.

Goals can't be achieved without a plan. Make sure that you have a strategy on how to achieve any goals set. The ability to measure achievement throughout the duration of the goal period is also important, interim checks can help motivate the employee. Documenting goals also makes the process official and reduces the risk of misunderstandings for performance reviews.

Understand that employees may fall short of achieving their goals occasionally. When goals are achieved make a business wide announcement and let the celebrations begin!

### READ BY:

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## Have you painted your Ferrari?

I recently moved to one of those touchy feely fruity phones. Hardly a significant event, until I discovered many thought I'd been sucked in and paid a premium just to carry around a logo. Had I fallen for the marketer and ignored the engineer?

According to people in the know, there are smart phones that deliver a better performance for much less. And I'm sure there are.

The thing is that I didn't know about them, didn't care about them, couldn't tell the difference between them and wasn't about to spend hours comparing specs and performance statistics.

I just wanted a pocket-sized gadget thingy that combined email, internet, phone, diary and music. And yes, like magpies, I'm attracted to shiny objects.

So what is my point? It's that seemingly superficial things like branding, packaging, emotional connection, glossy design and sexy bits are absolutely integral to the quality and success of your product. There are millions of technically brilliant products that never capture a market's imagination, let alone its wallet.

You may have done all the hard work: studied for years to gain your expertise, spent years building a product, or come up with a world-changing business idea. But if you fail to invest in the all-important polish, you can kiss goodbye to the value of all that other

stuff. It's like building a \$400,000 Ferrari, but not bothering to do the \$8,000 paint job.

The engineer builds the car, the marketer paints it.

In business, this paint job includes things such as logos, web design, writing, business cards, brochures, uniforms, email signatures, phone scripts, proposal documents, advertising, service consistency, follow up, punctuality, pricing, packaging and of course, personal presentation. All things outside the core offering.

Superficial it may be, but we all make purchase decisions, at least in part, based on such influencing factors and will pay a premium for a brand we know and trust.

Perception is reality. In other words people won't necessarily choose what the engineer determines is the best product, they'll choose what they think is the best value product, and they can thank the marketer for that.

Ultimately, the product or solution will have to deliver on the marketing promises to succeed, but until it's been sold it doesn't get that chance.

What do you think? Is your inner engineer allowing the marketer to add some shine, or have you got too much shine and not enough under the bonnet?

*Contributed by Peter Crocker, head to [www.flyingsolo.com.au](http://www.flyingsolo.com.au), Australia's community for solo and micro business owners.*

## Healthy recipe: Apple Chutney

Chutneys were originally served with curried foods. The sweet and tart flavours combined with a touch of spice complements strong-flavoured meats such as wild game, but also works well with beef, pork and chicken. Chutney can also perk up your cheese platter.

### Ingredients

- 1.5 kg Granny Smith apples
- 500 g onions
- 500 g sultanas/raisins
- 375 ml cider vinegar
- 2 cups sugar
- 1 tbsp. crushed mustard seeds
- 1 tsp. pickling spice
- 1/2 tsp. cayenne
- 1/2 tsp. ground ginger

### Method

Peel and core the apples; cut into large dice; place all the ingredients into a saucepan; bring to a boil and let simmer for 2 hours or until the liquid has almost completely evaporated;

once the mixture begins to thicken, stir frequently so that it doesn't stick;

if you lift up a spoonful of the mixture it should keep its shape;

immediately put into hot sterilised jars.



## Upcoming events

Our 'boardroom seminars' program has proved tremendously popular with clients. The feedback to these seminars has been extremely positive, and our client survey identified the topics of greatest interest for future presentations.

Our next seminar will be held on October 7 on the topic of "**Understanding money - a guide for teenagers**"

and details will be forwarded in the coming weeks. Designed primarily with the 14 to 18 year old bracket in mind, our aim is to ensure the younger generation comprehends the various aspects of financial basics and we hope that your children or grandchildren can attend and remind you that your friends (and their friends) and associates are always welcome.



## CASE | study

### Building on Strong Foundations

**With multiple building projects worth millions of dollars on the go at any one time, cash flow is a major consideration for Andrew and Simon Crilly, owners of Victor Harbor based Signature Homes. Setting their sights on improving the business since it was established in the mid 90s; Andrew and Simon have been helped by Paul McCarthy of HMCR to set in place a plan which has led to consistent growth and profitability.**

Signature Homes has moved from small scale subdivisions and unit developments to initiating its own major developments and higher value custom-designed projects in areas as diverse as Port Lincoln Marina, Encounter Bay and Whyalla. A strong desire to succeed and a willingness to grasp opportunities and take calculated risks have provided sound foundations for the company's future.

Paul McCarthy has helped to identify markets and strategies targeted to each specific business segment enabling Signature Homes to better compete with established Adelaide-based builders. This has led to more reliable production outcomes and made it easier to attract and retain quality tradespeople, who are crucial to the company's ongoing success.

Capital has been injected into the business from a range of investors, aided by improved profit potential over the longer term. Structures have been implemented to assist with tax management and asset protection,

along with systems to improve office management, IT programs, financial reporting, tax planning and marketing and sales.

HMCR has prepared detailed cash flow plans to identify progress payments, construction costs, overheads and loan payments. This has helped Signature Homes to quantify its exposure to taxation, with interpretations and opportunities explained in 'real time' by Paul McCarthy.

Signature Homes has now moved from rented office accommodation into its own offices, has acquired more investment property and increased plant and equipment purchases, rather than hiring. Staff numbers have increased, with sales staff contributing to further growth. Better job tracking from improved IT systems has led to significant growth in activity into the future.

With the assistance of HMCR, profitability for Signature Homes has increased fourfold, giving the owners the capacity to upgrade their personal assets and purchase an aircraft to facilitate the increased country workload.

Signature Homes now uses effective business planning to support its purchase decisions, with initial castings and sales projections confirming project profitability. HMCR has been there to assist with detailed tax planning and has also put in place regular, job by job, cash flow reviews.

The improved visibility of Signature Homes in the marketplace has brought with it even more opportunities to grow the business and the future looks very bright for this proud South Australian company.

### CONGRATULATIONS TO OUR \$3,000 HOLIDAY WINNER OLE WILLUMSEN!

Congratulations to Ole Willumsen who was the winner of HMCR's client referral competition drawn at our recent movie night. Ole received a \$3,000 travel voucher for his efforts.

The greatest compliment you can pay us is to recommend our services to your colleagues and friends and we are pleased to announce that we will be running the competition again over the next year.

Special thanks are extended to the following clients for their referrals over the last 12 months,

Kym Liebig, Paul Whitham, Brett Spicer, Geoff Smith, Ian Nosworthy, Phil Johnson, Mel Verhage, Peter Luedeke, Steve and Gail Traeger, John McKay, Matt McKenzie-Smith, Tony Catt, Tom and Ferne Van Der Jeugd, Justin and Fiona Aldridge, Dean Guse, Tony and Judy Zacker, Mark and Lynda McAskil

### Team member profile

#### Kristen Buik

**Title:** Client Services Manager

**My job at HMCR involves...**

Preparing financial accounts, income tax returns and anything else required to get the job done

**My dream holiday destination is...**

The Maldives

**For my last meal...**

Mexican - burritos & margaritas

**The TV show I can't live without is...**

Survivor

**One thing that really annoys me is...** that there are still only 24 hours in a day!

**When I was growing up wanted to be a...**

Poet

**If I could change one thing about myself...**

I wouldn't sweat over the things I can't change

**My first job was....** developing photos

**Something you probably don't know about me is...** I love to drive

**I cant live without my...**Family & friends

**The person I admire most is...**

My Dad - he is inspirational!

**I am scared of...** heights

**I get mad when...**I never get mad!

**The thing I like best about working at HMCR...**The people - clients & colleagues



## Movie and Book review



### Community corner

HMCR has loaned \$1,000 to an entrepreneurial man in Tajikistan, Zaffarjon Adilav through a micro-financing organisation called Kiva. Zaffarjon will use this money to purchase cattle and continue to support his family through their agricultural endeavours.

Tajikistan is the poorest of the former Soviet republics with 93% of the country mountainous, only 7% of the land is arable. These conditions have resulted in high levels of unemployment and have forced hundreds of thousands to seek work in other countries, mainly Russia. Nearly two-thirds of the population continue to live in abject poverty. Adilov Zaffarjon is the father of three children, and has the responsibility of supporting his family. In spite of his difficult economic situation, Zaffarjon has been able to get ahead in his business by purchasing cattle to breed.

It is our business to help businesses grow and therefore HMCR is proud to loan Zaffarjon \$1,000 in his efforts to build his business and provide a better way of life for his family. We believe this is a small step in addressing global poverty and the inequality that exists in our small world and invite you to join us by visiting [www.kiva.org/lend/208737?\\_te=ty](http://www.kiva.org/lend/208737?_te=ty)



### Just a thought

Our dilemma is that we hate change and love it at the same time; what we really want is for things to remain the same but get better.

SYDNEY J. HARRIS



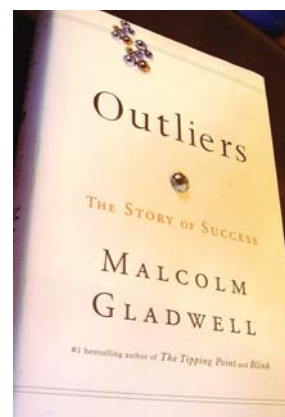
### PRINCE OF PERSIA: THE SANDS OF TIME

There should be no surprise Prince of Persia comes from the same people who produced the Pirates of the Caribbean movies. Full of the spectacle one would expect from those who bought that gaudy trilogy to life, it unfortunately resembles their worst aspects. This sadly turns a potentially appetizing time-waster into an overloaded and sometimes messy swirl of CGI excess.

The ancient 'Dagger of Time' gives its owner the ability to travel back in time and change the past. Desiring this for his evil purposes is Nizam (Ben Kingsley) who hopes to become ruler of the vast Persian Empire. The only person who can stop him is Dastan (Jake Gyllenhaal), one of the King's sons. Teaming with the beautiful Princess Tamina (Gemma Arterton), he aims to foil Nizam's plot and his attempts at creating a powerful sandstorm which could destroy the world.

A rule of any adventure film is to ensure there is always the prospect its heroes may not be victorious. This element of threat enables the audience to emotionally invest in the story until its conclusion. Prince of Persia completely ignores this by using its time travel concept as a means of lazily escaping any high peril. Coupled with one dimensional characters and an out of place adult tone in a film supposedly geared towards a general audience, you receive a very uneven escapade.

Based on a video game, Prince of Persia is a mindless popcorn flick of the highest order. Although its' action and spectacle are as dazzling as hoped, everything else from its' direction and woeful script are scant compensation.



### OUTLIERS – THE STORY OF SUCCESS

In his latest book, Malcolm Gladwell aims to prove why people such as The Beatles and Bill Gates are not successful just because they are extremely talented or ambitious. According to Gladwell, its where these achievers come from that is key to their success.

Gladwell repeatedly highlights one common point - that an individual's success is not based purely on merit or talent and that there are a multitude of other factors that come into play which provide the right openings to the individual to showcase his skills and make the most of them.

The chapter on successful Canadian hockey players was particularly fascinating. Why is it that a disproportionate number of professional hockey players are born in the first three months of the year? Is it just a twist of fate or does the selection process favour such players? Gladwell finds out.

Gladwell also looks at the link between plane crashes and culture and explains the prevalence of successful Jewish corporate lawyers in New York. He also offers his theory on the seemingly high failure rate of those with elevated IQs.

The book attempts to explain what the biographies of famous people leave out. The fact is that the critical element of success is often opportunity, chance or luck. Throughout an interesting and entertaining read, it will doubtless give you something to think about.

**Hattam McCarthy Reeves**  
tasty recipes for business and wealth improvement



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