

Newsletter - December 2009



It is hard to believe that Christmas is only a few days away. It is often a very busy time of year for us and clients, with everyone trying to get things completed before the start of the holiday season, usually with a few unplanned hardware or software issues thrown in for good measure. This year is shaping up to be no different. Hopefully we will all get through the pressures of the next few days, and have a chance to take time out over the Christmas and New Year break, spending time with family and friends.

It has been an interesting year in many respects, with plenty of challenges along the way. The global recession, the collapse of local finance companies and the much tighter economy have all made running a business much tougher. For us, things have progressed hugely since a year ago when we changed distributor to Sybiz Adept for all our Sage 50 software and support, and it is very pleasant to be working with people who have a similar outlook to us. I'd also like to thank everyone for their support during the year - without your support we would not have been able to continue selling and supporting Sage software. We really appreciate your loyalty. I still think Sage is the best software in the market for small to medium sized businesses, with ease of use and flexibility key points in the way it performs. Sage 50 version 2010 (v16) is now available and is discussed in more detail on the next page.

Holiday hours

We will close for the Christmas break on Thursday at 12.30pm, 24th December, 2009.

We will reopen for business on Monday, 11 th January 2010.

If you have any urgent queries over the holiday period, please leave a message on our landline (04) 477-4411 or mobile 027 505 88 88. We will be clearing messages regularly over the break and will try and get back to you as soon as possible.

Record Important Discussions

Keep a record of import business discussions. For example, a builder had a dispute with his electrician. The argument ended in court. The builder took careful notes of discussions and used them as evidence. Make a record of what the other party said. If you can remember the actual words, record that you have quoted actual words. Write your notes as quickly as possible after the actual event. State the date and time of the discussion and the date and the time you wrote them. The closer the time of recording to the actual event, the more likely it is that you have kept an accurate record.

Pay from your business account

Make life simple. Always pay business bills out of your business account. If you are short of money, make a loan to your business so it can pay the bills. Bank the loan separately. If someone else does your book-keeping tell them which lodgements are your loans so that they are not accidentally included as income. If all expenses are paid through the business account, it helps your accountant to get your accounts right and they can expect that you have claimed your full entitlement of GST.

Similarly, consider using a separate credit card for business use only, otherwise you must carefully identify business and personal credit card use. Remember to keep receipts and invoices.

Constitution for your company worth considering

Clubs have constitutions setting out the objectives of the organisation and its rules. Companies can do the same.

One-person companies have nothing to gain from having a constitution. However, where a company has two or more shareholders a constitution could be useful. It could have several uses, including:

- Restrict share transfers. You would not like your business partner to sell to someone you couldn't work with.
- Protect a minority shareholder. A company owned a commercial property and had about 10 shareholders. As each died or wanted to get their money out, the tenant bought the shares. Once the tenant got more than 50% of the shares, it had control over setting the rent, paying dividends etc. That is not an enviable situation for a minority shareholder.

A company can also have a shareholders' agreement, which can achieve a similar result.

Bank Charges

Banks have various formulae for making their charges and change them from time to time. Save money by checking to see which scheme suits you best. Don't assume that you are on the most advantageous arrangement for you. You are probably not!

Sage 50 v2010 - Upgrade Features

Bar Codes

You can easily add bar codes to reports, layouts and labels by dragging a bar code object onto the report designer work space and setting a few properties. The product file includes a new Bar Code field so you don't have to use a spare field anymore.

File Import Improvements

You can now map your own CSV layout to the fields in Sage 50 instead of having to stick rigorously to Sage's predefined layout. You can also import directly from MS Excel .XLS files without having to save them as a CSV file first. Additional imports have been added for Fixed Assets and Project Charges.

Credit Note Creation

Create a credit note directly from an invoice and automatically allocate the two together in the sales ledger.

Recurring Entries

Facilities to change the next processing data and view the activity. The recurring invoice routines have been rewritten for increased reliability .

Cash Register

Easily record your till takings and any discrepancies between the register and the till contents. A deposit screen will then allow you to select what you are banking and automatically make the postings.

Improved Filtering and Sorting

You can now filter and sort the data on the supplier payments screen making it much easier to allocate payments.

Optional Date Warning Message

You now have the option to turn off the sometimes annoying "The date falls outside the current financial year" message when you have started posting in a new year but have not run the year end yet.

Improved Report Explorer

Designed to assist in locating and running reports. It includes a simple button for adding reports to your Favourites option on the Menu bar.

Running Favourites now acts like running a report from the menu. Previously running a report from Favourites gave no control over which accounts/products were reported on - the report ran for all accounts/products unless there was a filter set in the actual report.

It is now possible to highlight selected accounts/products and the Favourite report will run just for the highlighted selection.

This applies even to the Deposit Slip Report which will run from Favourites for just the bank account highlighted. It will mean highlighting the correct Deposit Slip Banking account before running the report, but it gives far more flexibility.

Backups

Default Backup Names now include the company name and time as well as the date.

Company Module

The Financials now remain open when you click over to Nominal Codes and visa versa.

Help and Video Simulations

Improved Help Videos and Simulations.

Upgrade Pricing

The software upgrade cost is \$1375 + GST.

All Sage upgrades are now sold on a like for like basis. This means that there is no difference in price when upgrading - the price is the same irrespective of the number of users or companies you have. This brings the upgrade pricing policy into line with that used in the UK. Software upgrades can generally be supplied within 2-3 days of date of order.

Learn from others to improve your business

No magic potion has been invented to make businesses successful. Luck is seldom a factor.

If you want to make your business more profitable, learn from others. Here are some things you can do:

- Start by getting the reading habit. Pick interesting books and magazines. Years ago I read *Hello, Michael Hill Jeweller*. It is an autobiography. It tells the reader what Michael Hill did to become successful. You can use some of his ideas. The one I remember is his message to write all your good ideas down immediately; a small idea which makes a big difference.
- Get business CDs you can play in your car or digital files for your MP3 player.
- Go to seminars and courses. Chambers of Commerce are great places for these. Be wary of the big-hype seminars out to enrol you in an expensive course. They are unlikely to reveal the number of people who have done their courses, without a significant improvement in their business.
- Buy DVDs or download digital files to play at home.

You are likely to have already learned the skill on which your business is based. Now do the other half. Put as much work into learning about business.

Warning: Formal business courses can take up a lot of your time. They are often not well targeted at small businesses. Before enrolling, check out the detail of the course. Could you get more value for your time by doing the four things listed above?

Don't make your message lose sales

Here are two quick ways to lose a possible sale:

Ring your prospective customer and request a call back, without leaving your number.

Why should the would-be customer go and look it up?

Gabble the number so fast it is not practical to write it down.

Make it as easy as possible for prospective customers to buy from you.

Suggestions

Please let me know if you would like a particular topic covered in our newsletter, or if you have any other suggestions that may make it better and more relevant for you.

Our contact details are:

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Best regards,
Shane Durrant

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January 15, 2010

2nd Instalment of 2010
Provisional Tax
(March Balance date except
for those who pay
provisional tax twice a year)

GST for period ended 30
November 2009

April 7 2010

Terminal Tax for 2009
(March, April, May and June
Balance dates)

Earning less than \$14,000?

Those on a total income of less than \$14,000 per year are currently being overtaxed on savings. They should check their tax calculation at the end of this year to see if they are due for a refund. They should also contact their bank (or other borrower) to get their tax reduced to 12.5% from 1 April 2010.

Cheap rental for family

If you supply a cheap rental to a member of your family, don't claim any tax losses. It could be seen by IRD as tax avoidance. Sometimes the family member may earn the cheaper rental by agreeing to maintain the property, mow the lawns etc, in which case a loss can be claimed so long as the net effect is still to achieve a market rental.