



Time For a Business Audit?

The first quarter of a new financial year is the perfect time to conduct an 'audit' on your business to assess what is working in the business and what needs working on. Although the word 'audit' conjures up some pretty negative thoughts for most business owners, this is not a witch hunt. We simply suggest you take a step back to review the direction of your business and your financial goals for the year ahead.

Ask yourself these three questions:

- Where do you see your business at June 30, 2014 in terms of revenue, profit and staff numbers?
- If you are planning a growth spurt, what marketing activities will drive the growth?
- What do you plan to change from last year to achieve better financial outcomes?

As a starting point, below are five areas in your business that you could put under the microscope.

1. Business Planning & Goal Setting

As mentioned above, what are your financial goals for the year in terms of sales and profit? If you plan to significantly grow your sales in the 2013/14 financial year what marketing strategies do you plan to use? What tools, equipment, software and systems do you need to help you achieve those targets? Remember, if you keep doing things the same way you can't expect significantly better results.

It's time to identify the activities that will have a big impact on your results. Create a list of action steps then delegate responsibility for implementation. Set realistic time lines for implementation and by documenting the action steps you can measure and monitor your progress.

2. Marketing Moves

What are you doing to attract more customers? How do you plan to get your customers to come back more often and spend more each time? Marketing is the key ingredient in your growth plans and you need to map out your marketing moves for the year ahead. If your website is just a billboard that lists the 'who what and where' of your business maybe it's time for a 'facelift' or possibly a new website. Is it time to ramp up the search engine optimisation on your website, write new content and incorporate an opt-in box where you give away a valuable, informative e-booklet in exchange for an email address? Your branding could be old and tired and in need of a makeover particularly if you want to appeal to Gen X and Y customers.



Do you have a customer database and how often do you market to these customers? Is it time to produce a regular newsletter, write a blog and embrace social media in your business because your target market is in tune with those channels? Should you start producing videos and increase your online spending at the expense of off-line strategies?

3. Budget and Cashflow Projections

Now that you have mapped out the goals for your business in 2014 what does that mean from a financial perspective? Basically, you should create a cash flow budget to track the financial impact of these changes. How much will each of these strategies cost to implement and what is the timing of the expenditure? You need to identify what extra resources

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Time For a Business Audit? Continued

you might need including stock and staffing. Will you need to get funding and when? Is it time to extend the overdraft or finance a van or equipment by lease or chattel mortgage? In this environment you need to plan your funding needs in advance because banks don't take too kindly to last minute funding requests.

We can help you do some financial modelling based on different prices and assumptions but it is important to quantify the financial outcomes and then measure these against actual performance. We have a simple budgeting tool to help you and most accounting software programs also have a budget and variance feature built in.

4. Increase Prices

If suppliers have pushed up their prices then you need to think about passing on those costs to maintain your profit margins. Inflationary pressures are a fact of life and what would a 3% increase in prices do to your bottom line? Your rent and payroll costs probably both went up by 3% last year but have you adjusted your prices accordingly? What have your competitors done with their pricing in the last 12 months? Maybe it's time to get a mystery shopper to do some 'research' for you. If you decide to increase prices, how do you plan to notify your customers and will you announce the price rise a month from now so they have some advance warning?

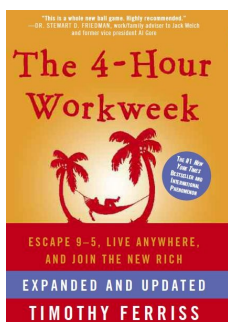


5. Review of Costs

While most accountants will tell you to slash costs to improve your bottom line, we always look to increase revenue by applying some smart marketing methods. Having said that, you should also look to identify any costs you might be able to cut. Start with the big four expense categories on your profit and loss statement bearing in mind your rent is probably fixed until the end of the lease. Some costs might be superfluous to your needs and maybe you could drop some subscriptions or negotiate a better price from your major suppliers. In business, if you don't ask, you don't receive.

Again, you need to measure and monitor what is working with your marketing and if you need any help with your business planning or marketing contact us today.

Recommended Reading - The 4-Hour Workweek by Timothy Ferriss



This book became an overnight success because of the unconventional 'mobile lifestyle' it recommended. The book is divided into four sections - define your objective, eliminate distractions to free up time, automate your cash flow to increase income and liberate yourself from traditional expectations. It's not just another 'get rich quick' book and the author describes the steps he has taken to create a mini-retirement after having a revelation based on the Pareto Principle - 80% of effects come from 20% of causes.

The 4-Hour Workweek is a great book, although not without flaws but most business owners can certainly draw something useful from the multitude of ideas.

What Is The Tax Office Up To?

- With the total number of trusts growing in Australia, the Tax Office has expressed concern about their use. With an additional \$217m for a Trust Task Force, Trust users can be assured the ATO will be investigating Trusts used to conceal income, mischaracterise transactions, artificially reduce trust income or underpay tax. The Tax Office has stated 'the blurring of distinctions between business and personal income and expenses is a common issue attracting our attention'. High income individuals using trust or company structures will be under close scrutiny. Ensure you have documentation to support funds paid from various entities to shareholders and beneficiaries.



- This is the first full year on the new contractor reporting requirements for the building and construction industry. This data will be used to review what contractors are reporting to identify under reporting.

How the ATO Use Business Benchmarks

The Australian Tax Office has been using small business benchmarks for a number of years. Essentially they take data from tax returns and activity statements and calculate a range of industry averages. These averages are in the form of financial ratios that they use to compare your business performance against. Their computer systems then automatically flag businesses whose financial results vary significantly from these benchmarks and they become audit targets.

Clearly, benchmarks don't factor in abnormal transactions and the audits can potentially add to the cost of compliance for business owners. The financial ratios include salary and wage costs as a proportion of turnover, the ratio of Cost of Goods Sold to reported revenue and the ratio of input tax credits to turnover. These ratios are particularly useful for high risk, high cash turnover businesses like building and construction, cleaning, beauty salons, restaurants, cafes and takeaway food, road freight, smash repairs and taxis.

Florist Falls Foul of the ATO

A recent Administrative Appeals Tribunal decision highlighted how the ATO successfully applied the benchmarks to raise additional tax revenue. In fact, the result was an increase in tax of \$57,389 and the GST shortfall was \$16,745.



In this case the taxpayer was a GST-registered florist in Western Australia and her 2008 tax return reported 'Cost of Sales' of \$259,982 on a turnover of \$313,971. This represents a Cost of Goods Sold (COGS) of 83% while the COGS industry benchmark percentage was between 44% and 54%. The ATO selected the business for scrutiny because the figures were significantly different to the industry benchmarks. The ATO initially requested she provide evidence that she was correctly recording and reporting her business income and in response her Tax Agent forwarded documentation to the ATO including EFTPOS statements, a spread sheet summary of cash register rolls, cash register roll receipts, bank account statements and several bank deposit slips. The documentation generally covered the period from April to July 2008.

Following the audit, the ATO advised the taxpayer that in its opinion, she had not kept adequate financial records and as a result, issued default amended assessments for income tax and GST (including penalties) totalling just over \$130,000. These amendments were based on the COGS small business industry benchmarks. Her objection was partially allowed on the penalty issue (by reducing the administrative penalty for the income tax and GST shortfalls from 75% to 50% and a partial remission of the general interest charge), but disallowed the objection regarding the income tax and GST assessments. The taxpayer then appealed.

However, the Administrative Appeals Tribunal said there was no evidence before it to support the taxpayer's contentions. The Tribunal considered that the taxpayer had failed to prove positively, on the balance of probabilities, that the relevant assessments were excessive. The Tribunal said the evidence did not prove how the taxpayer calculated the gross income of her florist business for the year ended June 30, 2008 and in particular, the cash component. The taxpayer's problems in this regard appeared to arise as a result of the following:

- a defective cash register – the taxpayer said the cash register never worked properly, the roll never followed through correctly and constantly jammed;
- missing till (cash register) tapes for June 2008; and
- the fact that no reconciliations had ever been produced.

The spread sheet summary of till (cash register) rolls for April and May 2008 was unreliable in that:

- days were missing from the summary and other evidence before the Tribunal indicated that the taxpayer did, in fact, trade on the those days; and
- there was a difference between the total sales recorded on the spread sheet summary and the reported label G1 'Total Sales' amount in the BASs for the business for April and May 2008.



The Tribunal considered that in the circumstances, it was open to the Commissioner to exercise his discretion and apply the COGS industry benchmarks. In addition, the Tribunal considered it was appropriate for the Commissioner to apply a base penalty amount of 50% on the income tax and GST shortfall amounts because those shortfall amounts were caused by her "recklessness".

How the ATO Use Business Benchmarks Continued

The Tribunal also stated, "that a reasonable person in [the taxpayer's] position would have foreseen that there was a real ... risk that by not reconciling the Z-tapes (i.e. cash register tapes) with the BASs and bank accounts with the florist business for the relevant period and, instead, by relying solely on the deposited cash in the bank to identify the sales of the florist business for the relevant period, her income tax returns and BASs may well be incorrect. Further, a reasonable person in [the taxpayer's] shoes would have foreseen the risks of operating a business with a faulty cash register which is unlikely to record all sales and/or damage the Z-tapes such that the true sales for a particular day may be unascertainable."

The lessons from this case are clear. Although the taxpayer said her business was struggling because of increased competition from a local supermarket, the lack of adequate systems and records meant she could not prove the amended tax assessments were excessive. Also, high cash turnover businesses are at risk and benchmarks are a powerful part of the ATO's weaponry. Ignorance is not an excuse and the onus of proof is with the business owner.

6 Tips for Selling Your Business

What are your options if you are trying to sell your business but can't find a buyer prepared to meet your asking price?

This is a relatively common scenario given it is a buyer's market with many vendors currently experiencing low enquiry rates. Banks have tightened their lending which has restricted access to funding so here is a list of things you can consider:



1. **Review your Price Expectations** - Five years ago you may have achieved a sales price of 3.5 times earnings, however, now you might only get 2 times earnings. Supply and demand have changed with baby boomers flooding the market with businesses for sale. You may need to drop your price expectations to find a buyer.
2. **Vendor Finance** - Although not without risk, you can offer the buyer vendor finance. This could open up the market for your business and potentially solve the finance hurdle for prospective buyers.
3. **Sell your Business Internally** - You could consider vendor financing the business over three to five years to an employee who has shown the ability and a strong interest in the business. It would help if you remain working in the business over the period to retain control and ensure you get your money.
4. **Sell to a Competitor** - It may go against the grain but your competitors could be the best group to buy you out as they have the industry experience, knowledge and structures in place. Banks may look favourably on these purchasers.
5. **Hold Out** - If you are set on your price and terms you will just have to be patient. You only need one person to be interested in buying your business but it might take a while to find the right match.
6. **Sack your Broker** - You need a broker that is going to be pro-active, that will go out and find you that elusive buyer.

What Changed on July 1, 2013

- The minimum rate of Superannuation Guarantee Contributions increased from 9% to 9.25%. Each year this rate will continue to increase until it reaches 12% from 1 July 2019.
- The upper age limit for Super Guarantee has been removed which means that eligible employees aged 70 and over will now receive Super Guarantee.
- For those aged 60 and over, you will be able to contribute more to superannuation with the concessional contributions cap increasing to \$35,000 (up from \$25,000). The concessional contributions cap for those aged 50 and over will increase to \$35,000 from 1 July 2014.
- An increased tax rate applies on contributions made by high income earners with a 'total income' in excess of \$300,000.
- The net medical expenses tax offset (NMETO) will be abolished although there will be a transitional period for those currently claiming the offset. The NMETO previously allowed you to claim a tax offset for medical expenses above the threshold (\$5,000 for 2012/13 and \$2,060 for 2011/12).
- For the 2013 income year, companies will be able to carry back up to \$1m of tax losses incurred in the 2013 income year to recoup tax paid for the 2012 income year. The refundable tax offset that can be claimed is limited to the company's franking account balance for that year.



Data Storage Solutions for Business Owners

Don't risk storing your important files on a USB memory stick anymore. A cloud-based storage solution is a 'no-brainer' for business owners, allowing access to important documents from wherever they are, via their desktop, laptop or mobile devices. Anyone with experience in disaster recovery understands the importance of secure, easily accessible off-site storage.



The market leader in online storage is undoubtedly Dropbox. Created in 2007 when founder Drew Houston forgot to take his USB drive to a university lecture, Dropbox allows you to create a file accessible via a website and mobile app and synchronised over various computers. Dropbox is so popular now that one billion files are saved on it every day, accounting for 20% of all bandwidth consumed globally by browser-based file-sharing services. This compares to 1% for its nearest rival, Hightail (formerly YouSendIt).

It operates like any other folder on your computer but this can be shared and updated online and ideal when you need to access important files on the go. Importantly, it can be shared with staff so everyone has access to the current version of a file. Dropbox's clear,

simple design makes it fairly easy to understand and use. You simply sign up, create a folder and decide who to share your files with.

There are other file storage systems such as Hightail and Huddle, the latter of which is tipped to challenge Dropbox's market dominance. Google Docs continues to be popular for spreadsheets and Word documents. In Australia, Shoeboxed is also making inroads and you can scan and organise receipts and documents with this application.

Dropbox has default storage space of 2GB. But you can expand that storage by referring the service to others. To do so, just go to the Dropbox home page and then click on the 'referral' link, which sits next to the first sign-up option. There, you'll be taken to a page where you can invite your contacts to sign up and each sign-up gets you more storage so you can get up to 16GB of additional space.

Some business owners resist cloud-based technology because they fear their files will be compromised if they trust it to the 'cloud'. A common misconception about the cloud is that it literally is up in the air for anyone to see but cloud infrastructure is physical with state of the art data centres, which for any business is far more secure than an on-site server could ever be.

Why YouTube Videos are Important for Your Business

We're sure you're probably familiar with the 'Gangnam Style' video clip on YouTube that went viral and was the first YouTube video to reach a billion views. As at mid August 2013 the video had been viewed over 1.741 times on YouTube and the South Korean pop star Psy has become a world-wide celebrity.

So what's YouTube got to do with your business and who really watches video clips on the internet anyway?

Well, the statistics support the fact that there are more YouTube clips played each month than there are Google searches! For example, in May 2013 in the US alone, 154.5 million people watched a video on YouTube. Those 154.5 million viewers watched a total of 13.9 billion video clips in that month. There are about 20 billion web searches per month in the US of which 13.6 billion are on Google, 3.3 billion are on Bing, 2.4 billion are on Yahoo! and the rest on smaller search engines.

In effect, YouTube is therefore the second largest search engine in the US. The second largest video site is Facebook (including Instagram) that gets around 60 million viewers per month for 727 million video clips viewed. Apart from potentially tapping into some of



those 13.9 billion video views, YouTube also integrates into the rest of your social media efforts. You can embed video clips on your website or blog and you can link from a YouTube video description (or a video itself) back to your website. You can link to a video clip on Facebook or Twitter.

Even one promotional video can dramatically increase your business exposure and it's easy to create. We all want more traffic to our website and video is an incredibly important part of the modern marketing mix.

Privacy is Your Business

Privacy is a major issue which many businesses don't take seriously. With the Privacy Law Reform Act passed in November 2012, business owners need to get up to speed on the changes that come into effect on March 12, 2014.

Many business owners think that just adding a standard 'Privacy Statement' to their website will satisfy the legal requirements of the 13 Australian Privacy Principles (APPs), however, this is not the case. Businesses should be looking at their information handling procedures, policies and systems now. The Privacy Commissioner will have powers to conduct performance assessments on private sector organisations to examine their handling of personal information in line with the new rules. The Commissioner will have the power to impose civil penalties of up to \$220,000 for individuals or \$1.1 million for companies who commit 'serious and repetitive' breaches.

Businesses need to look at the information they collect from clients, customers and prospects and ensure they aren't keeping personal information just for the sake of it. If you don't actually need the information to run your business, don't collect or store it. Credit card details should be securely stored or destroyed if no longer required. There would be many examples of unnecessary information being collected, such as licensed clubs that scan driver's licenses for temporary memberships. Are the time-savings of this scan worth the time and effort required to protect this information from identity thieves?

A recent survey found that 11% of commercial rubbish bins in Sydney contained personal information easily accessible by passing foot traffic. Businesses need to ensure their staff are trained as 80% of data loss is caused by human error. It is very common for employees to put sensitive documents into general recycling bins instead of the shredding bin. Too often they send out confidential or sensitive material in an unsecured way or they send it to the wrong people.

Many businesses may find a 'shred-all' policy the safest option with the secure document shredding companies gearing up to cater for the increased demand as the changes come into place. Other aspects to consider are adequacy of virus protection, firewalls, software encryption and computer passwords as well as physical locks and use of mobile technology off-site. Cloud computing also has the potential for security leaks with many employees saving data to share in such applications as Dropbox or Hightail. As these services can be accessed from personal computers as well as company computers, the security risk increases.

Small businesses are just as much at risk from computer hackers as the larger companies. More so in fact as they present an easier target due to their limited IT sources.

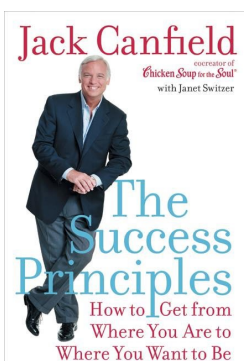
Employees need:-

- Training on the security requirements of your organisation
- Written guidelines on protecting customers' sensitive/personal information
- Guidelines on creating strong passwords and regularly changing them
- Guidelines on proper usage of company computers, including internet usage
- Education on emails including opening and forwarding
- A point of contact for questions on the policy or other general computer security issues



A summary of the requirements and changes are outlined in the Australian Privacy Principles (APPs) in the Privacy Act. The APPs are reproduced in Fact Sheet 17 - Australian Privacy Principles available on the OAIC website (www.oaic.gov.au).

Recommended Reading - The Success Principles by Jack Canfield



This book is full of simple, timeless ideas that anyone can use to move forward in their business, career and life. No matter what your professional circumstances, this book will help you increase your confidence and tackle daily personal and professional challenges. This book spells out the 64 timeless principles used by successful men and women throughout history.

Filled with stories from CEOs, world-class athletes, celebrities and everyday people that are both memorable and inspiring, this book will help anyone achieve their goals and most importantly, live with passion and purpose.

Apps To Help You Through Your Day

There are many blogs and posts about stand out productivity applications. With so many hitting the market it is hard to keep up. Below are just a few that could help your productivity:

Optimising Your Email Apps

If you find sorting, checking and following through on emails eating into your time there are apps to help you manage this more effectively. Research suggests it takes 4 minutes to re-focus after an email interruption so you can minimise them with the following apps:

1. **Mailbox** is a free app that helps tackle the overflowing g-mail account with convenient labels for unread emails and features that let you swipe messages to archive or trash instantly.
2. **Taskforce** allows you to convert emails into tasks, within your inbox so you can also delegate tasks or save them for later.

Saving Ideas/Plans/Links Apps

Don't lose track of those great ideas, tasks or information you've found. There are a myriad of to-do list apps but here are a few of the best.

1. **Clear** is iPhone's most beautiful to-do list app (\$2.99) and it's great for those simple lists. You can swipe, pinch and drag tasks and even store them in iCloud. Perfect for busy people.
2. **Evernote** – Save time and energy by saving and

syncing all your notes, clippings, tweets, photos, files, to-do lists, reminders and more across all devices, all platforms. This is a highly rated free productivity app.

3. **Cloudon** is a free app which allows you to use Microsoft Word, Excel and PowerPoint to create documents on the go on your iPhone, iPad or Android device. Users can sync with Dropbox, Google Drive and SkyDrive accounts as well as email contacts directly from their mobile devices. If you quickly need Microsoft files and don't have time to get to a computer to add that attachment, this app could be what you need.
4. **Pocket** (formerly Read It Later) is a free bookmarking tool that syncs across all devices. Save snippets from websites, tweets, texts, videos to read later on your phone, tablet or computer with or without internet connection.



8 Top Tips for Managing Cashflow

Statistically speaking, over 60% of businesses that go bust are still profitable but they generally just run out of cash. Whether your business is flying or struggling, 'cash is king' and you need to get on top of managing your cashflow. Here are some tips to help you:

1. Working Capital - this is critical because you need to understand how much money your business needs to operate on a weekly and monthly basis. Answer these questions: How much of your cash is tied up in inventory and work in progress? How long is it between paying suppliers and receiving payment from your customers? The answers will give you an idea how much working capital you need to run your business.
2. Ensure your business has enough cash to fund 3 months of outgoings as a minimum. Make sure you also have a financial buffer in the form of an overdraft, personal funds or a revolving credit facility.
3. Cashflow budgets may sound boring but forward projections could help you survive a down season. In business, forewarned is forearmed. If you can't accurately predict sales at least prepare a forecast of the expenses for the year so you know how much you need to cover.
4. A monthly spreadsheet can help with planning too. If there is a shortfall to cover, advance warning gives you the chance to talk to a lender or your accountant to discuss your options.
5. Check your systems to ensure all customers are invoiced promptly. Do you know how much your customers owe you at any time? Or how much you owe suppliers? Are your terms clearly stated on your invoices and your contracts?



8 Top Tips for Managing Cashflow Continued

6. Your 'cash conversion cycle' is the time span between you paying for stock and collecting the revenue from your customer. 180 days is quite common in manufacturing or other inventory based businesses. You can ask for a deposit, get your regular customers to pay monthly or cut your inventory levels by organising same or next day delivery from suppliers.

7. Always provide plenty of options for your customers to pay you. Ask for direct credits and always quote your bank account details on invoices and order forms, accept eftpos and credit card payments and set up a PayPal account on your website.

8. Be prepared to take the hard line if something or someone is not saving you money or boosting your income. Get rid of non-profitable, slow moving products, shed the unproductive team members and fire your worst ten, slow paying customers.

Cash management is just that, managing your cash flow through understanding how your business works. Knowing and having access to working capital and careful planning will minimise the chance of running out of cash.

Legal Hurdles for Start Ups

Starting a business is a dream come true for many people. After years of plotting and planning the official launch is exciting but you need to pay attention to some legal basics so your fairytale doesn't turn into a financial nightmare.

Let's face it, most entrepreneurs are ideas people and in the start up phase they are very cost conscious. All too often the legal risks work their way to the bottom of the priorities pile. However, the consequences can be catastrophic and in this article we will examine the four key areas of legal risk for most business start-ups and how to deal with them.



1. Contract Risk is a major legal risk for business start-ups and it is common for start-up entrepreneurs to agree to many written and oral contracts without really thinking about the long term consequences. Ideally, legal counsel should be sought beforehand because these contracts and agreements often cause angst down the track when the business is sold, pivots or even shuts down. If legal costs are an issue, try to include a cancellation clause in the contract with a short period of notice to minimise your contract risk. Beware of looking for a 'band aid' solution and the best way to manage your risk is to work with a contract lawyer.

2. Regulatory Risk - Heavily regulated industries such as finance, education or chemicals present regulatory risk management issues. Most commonly, the CEO's of start-up companies are also directors of the company so regulation compliance is critical because the directors of companies can, in certain circumstances, be liable for criminal penalties if the company breaches certain regulations. This is particularly the case in the finance industry. Seek specialist legal assistance when setting up a business in a heavily regulated industry.

3. Human Resources Risk - Start-up businesses are not immune to HR issues. The most common HR issue would be recruitment and termination of employees but you may also need to deal with redundancies, allegations of discrimination, bullying and salary discrepancies within the workplace. Providing employees with a handbook and making sure it is adhered to at all times can alleviate some of this risk. Additionally, employees must be employed under the correct arrangements, whether award or non-award. Fair Work Australia sets out minimum rates of pay and benefits for employees. Breaches can attract heavy penalties under the Fair Work Act. Disputes between co-owners of a business are not an employee/employer relationship, so they would generally be dealt with in the companies' shareholders agreement.

4. Environmental Risk - Potential environmental risks must be considered, especially if you are involved in the agricultural, chemical or water industries. If this applies it would be best to seek assistance from a sector specialist, consultant or lawyer on set up.

Conclusion

The risks are real for business start-ups who often get legal advice as a last resort. Financial constraints, ignorance or inexperience are not an excuse and business owners need to take responsibility to manage the risk. There is no substitute for professional advice but you can minimise costs by being vigilant and using some common sense and on-line resources.

It's Getting Cloudy for Business Owners

There's no doubt that internet based technologies are transforming the business landscape throughout the world. Just look at how you do your banking, travel and entertainment bookings, not to mention your music purchases.

This shift is also revolutionising how professional advice is delivered across the globe. Many professional firms have already gone paperless and they communicate and interact with their clients and customers via email, secure portals and tele-conferencing. Some businesses have disposed of their servers altogether and now operate totally in the cloud.

Cloud computing remains one of the big issues facing business owners going forward. Generally speaking, cloud computing means your files or software are stored on someone else's hard drive in someone else's data centre and are only accessible via the internet. Programs such as Dropbox, Office 365 and Xero are popular examples.

A recent survey of 1,000 Australian small businesses suggested only 19% of those businesses were using 'the Cloud' for business. However, 98% of those that say they are not using the cloud, in fact are using it in some form.

Hardware - Chromebooks

When the Google Chromebook launched in Australia in March 2013 it made headlines for one reason, the price. In Australia, Acer's Chromebook sells for \$299 and the more popular Samsung version sells for \$349. Of course the downside of this low price is that basically the hardware is useless without an internet connection as the laptops run the Chrome operating system accessing web apps in the cloud rather than installing local software.

For businesses with a mobile workforce using laptops, the price is compelling. The mindset and IT strategy may need to change but it opens up a whole range of possibilities. A damaged Chromebook can be replaced in a matter of minutes with no time wasted, no loss of data and no risk of the hard drive becoming infected. Tablets too are popular with businesses where the need for the keyboard is not imperative.

A Chromebook also features remote management and the operating system is automatically updated with new



features and security updates every six weeks. Each Chromebook includes an amount of web storage in Google Drive in addition to the machine's local hard drive. Users can log into Chrome to keep their settings and access files stored in the cloud, but they can also use guest mode or open an 'incognito' browser window for privacy.

Chromebook - Disadvantages

The main disadvantage of a Chromebook is that users cannot use conventional applications such as Windows-based accounting software or other server-based applications. Another disadvantage is that the machines don't work without web connectivity. There are 3G/4G models which allow users to tether their phones or insert a SIM card directly into the Chromebook, however, Google is only launching the Wi-Fi only Chromebook in the Australian market at this stage.

Lastly, there is the issue of security. Imagine all your data files being copied onto a hard drive and stored elsewhere which you can access by logging in via the internet. You would probably ask yourself, "If I can access my data via the internet, who else can?"

Cloud Advantages

Infrastructure is the area most impacted by Cloud computing. Successful online businesses are being built with minimal infrastructure and being able to move and adapt quickly, provisioning servers in minutes to meet fast evolving customer demands.

In the near future all software will be available online for rental rather than outright purchase and there may only be a website to communicate with so get ready. Forecasts suggest businesses using the cloud are much more likely to see their revenue rise than those who don't.

Small Business Cloud Advantages

- Access to your files from virtually anywhere
- Access to your files and data from any device
- All your data and information is automatically backed up
- No licenses required for cloud-based software
- Minimal infrastructure costs

Possible Cloud Disadvantages

- Security and confidentiality concerns
- No internet, no cloud. Reliable connection is essential
- No immediate support - may be 24 hours to answer queries
- Cheaper or not? Compare pricing plans for each application

3 Easy Online Marketing Activities You Can Start Today

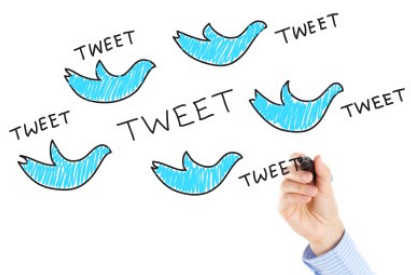
Online marketing campaigns don't have to be difficult or expensive. There are ways to market your brand that cost you nothing but your time. To help you get started here are three activities that will increase your online exposure and help get your brand out in the marketplace:

1. Create a Blog



Establishing a blog on your website can help attract more website traffic, establish you as an industry expert and create loyal followers and a fan base. The process itself is relatively simple depending on your website platform (WordPress, Drupal, Joomla, Synergy8 etc.). If your website service doesn't allow you to add a blog to your website, you can create a separate blog independently and link it to your website, but ideally it is best if it is integrated. Once established, you can begin posting helpful, informative articles aimed at your target market. Don't use it as an advertising tool, just make it a helpful, informative resource. Don't feel you are giving away your best ideas, the purpose is to attract and educate, thereby increasing your credibility in the marketplace.

2. Join Twitter



If you don't have a Twitter account already, now is the time to get started. It's simple to set up a profile for your business, choose some interesting and relevant people (or companies) to follow and begin tweeting with helpful or engaging remarks. When using Twitter for business:

- Tweet about your products or business but don't sell! Most of your tweets should be about providing helpful information or interacting with your followers.
- Update a couple of times a day if possible. It doesn't need to be time consuming, just share an article of interest, re-tweet something relevant or reply to someone else's question. Don't just set up your account, tweet a couple of times and let it slide, the idea is to engage and don't forget to tweet about your blog postings too.
- Treat Twitter like a conversation. Twitter is a communication tool, not a broadcast tool. Change your formats from just publishing articles to asking and answering questions, interact with others.
- You have 160 characters to compose your Twitter bio in. Make it concise and compelling and let people know what you do and how you can help them or have helped others. A good bio will attract quality followers and try to be creative but factual. Instead of a simple 'what do I do?' ask yourself, 'what am I passionate about?'

3. Newsletter Email



You can set up an account at one of many email marketing services (e.g. MailChimp and AWeber) which offer flexibility and affordable pricing. Start capturing email addresses from your website or in store. Email marketing is still a powerful way to grow your business, especially if your newsletter contains special offers, useful tips, information your readers appreciate and they are prepared to forward it on to others.

Your newsletter lets you alert clients and customers to your full range of services and products. It builds loyalty and while your newsletter won't directly lead to an engagement or 'sale', they often pave the way. They can cross-sell and up-sell your services, help you keep in touch with clients, referral sources and can even introduce your business to new clients

These three online marketing ideas are a great starting point but don't launch into all of these activities at once. Choose the one that is the best fit for your business and get started!

IMPORTANT DISCLAIMER: This newsletter is issued as a guide to clients and for their private information. This newsletter does not constitute advice. Clients should not act solely on the basis of the material contained in this newsletter. Items herein are general comments only and do not convey advice per se. Also changes in legislation may occur quickly. We therefore recommend that our formal advice be sought before acting in any of these areas.