BUSINESS ACCELERATOR MAGAZINE

Your Quarterly Business, Tax & Accounting newsletter to help you grow your business

BUSINESS GROWTH HQ

Build Your Business & Grow Your Wealth

Why you need a clear vision, mission and values

Chart your course with a clear why, what and how

A successful business journey requires a precise and purposeful roadmap. Learn how to write your vision, mission and values to get where you're going faster.

Why vision, mission and values matter

The COVID-19 pandemic prompted many people to reassess their priorities, bringing new focus to concepts like sustainability, social equity and community. As a result, customers are more interested in brands with a conscience than ever before.

In addition to long-standing purchase drivers like affordability and convenience, many customers now place equal importance on engaging a business whose values align with their own. They'll be loyal if they find a match and take their business elsewhere if they discover a conflict – often sharing their concerns with friends, family, colleagues and social media in the process.

As well as connecting you to customers, a clearly defined vision, mission and values help to align employees, management and shareholders. They act as a guiding force for where your business is going and how you intend to get there – enabling you to achieve your goals faster and smarter.

But building these strategic statements is not a one-person job. By involving key stakeholders in the creation process, you'll ensure they accurately represent your business, establish a shared understanding and align to your business goals.

So, what are vision, mission and values exactly – and how do you write them for your business?

What comes first?

First things first, in what order do you write them? Setting the order requires an understanding of their purpose. Types of BEC attacks

1. **A vision statement** outlines the future of your business – essentially, where it's going and what it wants to achieve and contribute.
2. **A mission statement** describes what your business will do to achieve that vision.
3. **Core values** define how you will behave during that process.

Essentially, your vision provides direction, your mission creates focus, and your values define behaviour..

Setting your vision

What is it?

Your vision defines the purpose of your business – including why your business is important, what you are aiming to achieve and how you will contribute to your industry and the community at large. It acts as the starting point for your business strategy and planning, and informs your brand, marketing, recruitment and induction processes.

Why you need it

To chart your course for the future and inspire stakeholders to get on board for the journey ahead.

How to create it

1. Gather management, staff, shareholders and external business advisors together for a business vision workshop.
2. Start by considering your overarching purpose and why the business matters to staff and customers.
3. Identify your long-term goals and aspirations.
4. Summarise 2 and 3 into a clear and concise statement, written in plain English and easily interpreted by someone outside the business.
5. Implement your vision across the business by displaying it publicly, in staff common areas, your code of conduct and other key policy documents.
6. Review and update it on an ongoing basis.

Flight Centre Travel Group example

To be the world's most exciting and profitable travel retailer, personally delivering amazing experiences to our people, our customers and our partners.

Setting your mission

What is it

Your mission describes how you put your purpose into action – including what you do, who you serve, and your key functions and offerings. It may refer to your industry, products or services, competence, market segment or geographical area.

Why you need it

To ensure your everyday activities are in alignment with, and contributing to, your vision for the future.

How to create it

1. Interview your team to answer key questions like what is our business? Who is our customer? How do we best serve them?
2. Hone in on the key ideas, focusing on words that inspire and excite you.
3. Use these words to form your mission statement, ensuring it is written clearly in present tense with a powerful and emotive tone.
4. Finalise the statement and incorporate it into key operational documents to ensure your everyday activities align to your business goals.
5. Review and update it on an ongoing basis.

Flight Centre Travel Group Example

To open up the world for those who want to see.

Setting your values

What is it

Core values are the deeply ingrained principles and beliefs that guide your company's behaviour around the actions you take to bring your mission and vision to life. Your values act as your North Star, helping you to make decisions, foster a unified culture and create a positive difference.

Why you need it

To set clear expectations of how and why you do things for employees and connect with customers who share your values.

How to create it

1. Gather management, staff, shareholders and external business advisors together for a values creation workshop.
2. Seek inspiration from other companies you admire – identifying which values do and don't resonate.
3. Reflect on the beliefs and principles that matter to your business. For SMEs, a company's core values will often reflect the business owner's personal values.
4. Together, brainstorm your business values across common categories like customer service, sustainability, social equity, teamwork and culture.
5. Review your list and prioritise the top 3 – 5, ensuring a good mix of principles, beliefs and standards of behaviour.
6. Translate your values into a set of actions, ensuring the values are easily understood and applied across your business.
7. Review and update your values on an ongoing basis.

Flight Centre Travel Group example

- Irreverence - We take our business seriously but not ourselves. We respect our customers, our partners and each other.
- Ownership - We take full responsibility for our business and treat it as our own.
- Egalitarianism - Everyone has the same opportunities, rights and privileges. Self important people don't fit in. There is no "us and them".

Get clear to go far

Clearly defining your vision, mission and values will ensure your day-to-day decisions and actions are guided by an agreed sense of purpose. With your future direction and connection to customers at stake, it pays to get external support through business advisory services to get these statements right. Once you have these foundations in place, an accountant can then help you align your purpose with your operational and financial strategies to ensure you're on track to achieve success.

Speak to your accountant about business advisory services.

Ask for a callback from Business Growth HQ.

FEBRUARY 2024
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ACCELERATOR MAGAZINE

Why audit doesn't have to be a dirty word for your business

Seeing beyond the obligation to deep opportunities

Knowledge is power and audits can uncover pivotal insights to put your business on a path to success. Discover how your next audit can mitigate risk and accelerate long-term growth.

When and why you might need a business audit

Audit – it's a little word that can strike big fear into the most seasoned of business owners. But with the right support, audits can actually provide your business with a variety of powerful benefits.

At a foundational level, audits help to ensure your financial records are accurate, up to date and compliant with important regulations – safeguarding you against costly penalties. But more than just an assessment of what is, they also have the power to shape what could be – by uncovering areas for improvement that have the potential to save you money, optimise processes and drive long-term growth.

While any time is a good time to check in with your business, here are some scenarios that might bring an audit to the top of your to-do list:

1. **Finding investors or applying for a grant:** An external audit can boost the credibility of your investment proposal, helping to convince potential investors your business is a sure financial bet. When applying for a government grant, an external audit is likely to be a requirement – ensuring your accounting figures are accurate and impartial.
2. **Securing a loan to expand your business:** When looking to obtain a loan, many lenders will require an external audit to confirm the figures in your financial statements.
3. **Selling your business:** Potential purchasers are also likely to require an external audit of your financial statements, assuring them your business is consistently profitable.
4. **Going public:** If you aspire to go public with your business, you'll need three years of externally audited financial statements before doing so.
5. **Ensuring compliance:** As a business owner, it's hard to stay across ever-evolving government and tax regulations. An external audit provides peace of mind that you're compliant with regulations, identifying any gaps before they become costly problems.
6. **Detecting fraud:** Audits can detect fraudulent activity or discrepancies in your financial records, which is especially important if your business handles sensitive data or processes a high volume of transactions.

What's the difference between an audit and a review?

Some small-to-medium-sized businesses have the option of having their financial statements reviewed instead of audited. So, what's the difference?

Very simply, a review is faster and cheaper than an audit. But it's also less comprehensive and therefore provides a lower level of assurance. When you consider the risks that come with a lack of in-depth visibility, an external audit is likely money and time well spent.

What an audit covers

The scope of an audit will vary depending on its particular objectives, but may include:

1. examining financial statements and other data
2. analysing business operations, processes and performance
3. evaluating company assets to ensure accurate valuation
4. determining tax obligations
5. ensuring compliance with government and industry regulations.

Typically, an audit will involve three key phases:

1. **Planning:** Auditors will plan the nature, timing and duration of audit procedures, and learn about the business and industry it operates in. Key documentation is gathered during this phase, and an audit strategy

will be provided outlining audit criteria, milestones and responsibilities.

2. **Execution:** Auditors focus on gathering evidence to address the audit objectives, and form and support the audit conclusion.
3. **Conclusion:** Auditors document the final findings and recommendations of the audit in a thorough report. The business's action on the recommendations provided become a key reference point for follow up audits.

What to look for when getting support

Once you've decided to invest in an audit, you want to ensure you put it in capable hands. There are four types of registered auditors to consider:

1. **Registered company auditors and authorised audit companies:** Public practitioners must be registered as a Registered Company Auditor (RCA) with ASIC to be appointed as an auditor.
2. **Registered auditors with the Registered Organisation Commission:** Auditors must complete separate registration to audit Unions and Employer Associations under the Fair Work (Registered Organisations) Act 2009.
3. **Registered self-managed super fund (SMSF) auditors:** SMSF auditors have separate registration requirements and must meet ASIC Regulatory Guide RG 243 (Registration of self-managed superannuation fund auditors) to audit SMSFs under the Superannuation Industry (Supervision) Act 1993.
4. **External examiners for legal practitioner trust accounts:** CPA Australia members with a current Public Practice Certificate who have successfully completed the relevant course as approved by the Legal Services Council can act as external examiners for law practice trust accounts.

In addition to selecting the right type of auditor, make sure you choose a provider who will deliver audit services tailored to your business, operations, risk and growth objectives. This is the difference between an audit that gives you a basic picture of what is versus an audit that goes the extra mile to help you make informed decisions for your business's future.

Auditing for long-term business growth

Savvy businesses are increasingly viewing auditing as an opportunity rather than an obligation. When it comes to delivering long-term business growth, how can an audit add value and put you on a path to success?

1. **Informed decision-making:** With an accurate picture in place, more strategic decisions can be made around where to focus next.
2. **Mitigate risk:** Auditors analyse cash flows, competitors and market risk to help you stay one step ahead and mitigate risks that pose a threat to the future of your business.
3. **Accelerate growth:** Optimise your processes, reduce costs, increase profitability and attract interest from external stakeholders and investors to gain a competitive edge and kickstart growth.

Embrace the opportunity in your next business audit

All it takes is a little perspective shift to see your next audit in a new light. Approach it with an open mind and it could uncover a raft of opportunities and benefits for your business. If in doubt about how to get the most value from your audit, it pays to get expert advice from a business audit accountant with proven auditing experience.

Uncover powerful audit insights with expert accounting advice.

Ask for a callback from Business Growth HQ.

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Navigating joint ventures and partnerships

Ensuring two is company – not chaos

Teaming up could be the best business decision you ever make – or a costly failure. Set yourself up for success with our joint venture tips to help mitigate the risks

Possibilities and pitfalls

Running a business is not for the faint-hearted and going it alone can be just that… lonely. Joint ventures and business partnerships offer an exciting opportunity for collaboration, innovation and growth. But they also present unique challenges and potential pitfalls.

Ensuring your protection from the outset is a must with clear agreements, thorough risk management and a good understanding of regulatory compliance. Selecting the right partner or collaborator is key. So too is seeking specialist accounting support and legal expertise to guide you along the way.

So, how do you maximise the opportunities of a joint venture or partnership and navigate the risks? Let's cover the ins and outs to put you on a path to success.

The 101 of joint ventures and partnerships

First up, what's the difference between a joint venture and a partnership? Typically, a joint venture is formed for a single goal or project over a defined period, whereas a partnership is formed with the intention of continual business.

A joint venture is formed between two parties while a partnership can consist of up to 20 partners. Unlike a company though, a partnership is not a separate legal entity. This means the partners are jointly responsible for the activities of the partnership – for better or worse. In a joint venture, your debts are your own – but in a partnership, you are liable for the partnership's debts if other partners are unable to pay.

Deciding on a structure will depend on your objectives, with advantages and disadvantages to both.

Advantages – Joint Venture

- Businesses of any size can benefit
- Allows for business expansion and growth without borrowing money or seeking investment
- Provides greater access to resources and staff
- Collaboration aids innovation and product development
- Only a temporary commitment
- Each party is only responsible for their own debts incurred

Disadvantages – Joint Venture

- Relies on finding a trustworthy, short-term partner
- Marrying different management styles and cultures can be challenging
- Success depends on working collaboratively

Advantages – Partnership

- Shared, and therefore, lower start-up costs
- Business affairs of partners remain private
- Income can be split
- Ability to easily change business structure if required
- Collaboration aids innovation and product development
- Less external regulation

Disadvantages – Partnership

- Each partner is jointly responsible for other partners' debts with unlimited liability (meaning their personal assets and finances may be used to service the debt)
- Each partner is liable for other partners' actions (including criminal activity)
- Profits must be shared equally

The need for a well-defined and legally sound agreement for both structures is clear, but the elements covered will differ for each.

A joint venture agreement should cover:

- details of the joint venture, including your objectives

- each party's obligations and warranties
- financial contributions
- division of profits and losses
- audited accounts
- dispute resolution process
- agreed exit strategy.

A partnership agreement should cover:

- details of how the partnership will work
- the partners' obligations
- ownership of the IP created in the partnership
- division of assets
- confidentiality expectations
- dispute resolution process
- agreed exit strategy.

Your agreement is your main means of protection should things go awry, so seek legal and financial advice when drafting your agreement before you enter the joint venture or partnership.

Choosing the right partner

The most important predictor of a successful joint venture or partnership? Choosing the right partner. Key factors to consider include:

1. **Aligned objectives and culture.** Unified vision and values are key to avoiding conflict and ensuring the joint venture or partnership doesn't end prematurely on bad terms.
2. **Complementary strengths.** Perhaps you run a tight operational ship but you're lacking in new ideas. A partner with a flair for innovation and creativity who struggles with organisation could be the perfect fit.
3. **Thorough due diligence.** In a joint venture or partnership, there's a lot at stake. Don't just take your potential partner's word for it, do your research thoroughly to ensure they're financially secure, trustworthy and enjoyable to work with.

Questions to ask before you sign

When assessing the suitability of a potential partner and likely success of a collaboration, these questions are a good place to start:

- What is your background (including things like court records, credit histories and accounting records)?
- What are your objectives for this venture or partnership?
- What are your values?
- How will we divide up tasks and responsibilities?
- How will we divide profits and property, including IP?
- How will we ensure open lines of communication?
- What constitutes a breach of our agreement?
- What will we do if things don't work out?

Managing and mitigating risk

Even with the most thorough due diligence, risk is an unavoidable part of entering a joint venture or partnership. From liability for partners' debts and actions, confidentiality breaches, partners becoming ill (or worse), premature dissolution leading to profit loss, through to stressful disputes and costly litigation, there's a lot that can go wrong.

With so much at stake, a thoroughly prepared exit strategy is key to mitigating risk. A well-defined exit plan means parties know their rights and obligations, as well as being prepared for all possible scenarios, saving time, reducing costs, avoiding expensive legal battles, and – ideally – leaving all partners on good terms.

Regulatory and compliance considerations

When it comes to mitigating risk, it also pays to be aware of your regulatory and compliance obligations.

Joint ventures are regulated by the executed joint venture agreement, the common law, and the Corporations Act 2001 (Cth) if any of the parties are a corporation. Partnerships are governed by State and Territory-based legislation. Find the Partnership Act applicable to your state here.

From a compliance perspective, the most important consideration is taxation. All parties involved in a joint venture can make and claim their own tax deductions. In a partnership however, partners must pay tax on their share of the partnership profit, at their individual tax rate. While the partnership as a whole is exempt from income tax, it is still required to file a Partnership Return each year that shows the partnership's income, deductions and credits for the financial year.

Prevention is better than cure

When entering a joint venture or partnership, it pays to be proactive and ensure all bases are covered. Seek legal and financial advice from a business partnership accountant to ensure you maximise the opportunities and mitigate the risks for peace of mind. An upfront investment in your protection could prove to save you significant heartache, stress and expense in the long run.

Get joint venture and partnership savvy with expert accounting advice.

Ask for a callback from Business Growth HQ.

Setting business benchmarks and how your accountant can help

Know where you are to hone where you're going

Improving business performance requires an eagle eye on financial, operational and industry levers. Business benchmarking reveals which levers to pull, when and how far – for powerful results.

Benchmarking for better business

Surviving, let alone thriving, in today's tumultuous economic climate requires businesses to spend more time working on their business than in the business. But when it comes to working on your business, what exactly do you focus on?

Perhaps you're wondering how your business is performing versus your competitors? Are your manufacturing costs too high? Are you allocating enough (or too much) budget to marketing? How do your customer response times compare?

so many performance levers, how do you know which needs pulling first?

By benchmarking your business.

To drive the most powerful results, business benchmarking requires deft hands to effectively hone your focus, improve performance and increase profits. A good accountant can assist and add a lot of value to the process.

But first, let's explore the ins and outs of benchmarking for better business.

Business benchmarking 101

Benchmarking is the process of comparing performance metrics and business processes to comparative measures to assess a business's performance and identify areas for improvement. Quality, finances and time are the most commonly benchmarked performance indicators, but comparative measures differ depending on the type of benchmark.

Internal benchmarking

Enables comparison between metrics from different units within a business – including other teams, products, programs and geographies.

Outcome: Get visibility of your current performance across different areas of your business, enabling you to plan holistic operational improvements.

External benchmarking

Compares the metrics and practices of one organisation to others.

Outcome: See how your company measures up to competitors, enabling you to set baselines and goals for improvement.

Performance benchmarking

A type of benchmarking that focuses on collecting and comparing quantitative data, including KPIs such as gross profit and wages to turnover.

Outcome: Identify performance gaps to inform decision-making for future improvement.

Practice benchmarking

A type of benchmarking that focuses on collecting and analysing qualitative data, such as customer experience or technology usage.

Outcome: Identify where and how practice gaps occur and discover best practice to plug those gaps.

Typically, performance indicators assessed through the process of benchmarking fall into the following categories:

- **Financial:** operating costs, gross and net profits, yield per customer, sales trends, marketing spend as a percentage of gross revenue, etc.
- **Operational:** process design, technology usage, resource optimisation, policy implementation, automation, employee engagement, etc.
- **Industry:** customer wait times and satisfaction, average cost per conversion, seasonal sales trends, product functionality and life cycle, etc.

How benchmarking can benefit your business

Done well, business benchmarking delivers many benefits including:

- **A plan for performance improvement:** shine a light on underperforming areas and gain actionable insights into how those areas can be improved for increased efficiency, lower costs and greater profitability.
- **Long-term goal setting:** put accurate baselines in place to set realistic goals that inform long-term strategic planning.
- **Thorough competitive analysis:** understand how your competitors operate to identify best practice and innovations for increased performance.
- **Identify new trends and opportunities:** understand consumer trends, market changes and your growth potential.

How to set business benchmarks

Effective benchmarking starts with the end in mind and sees it through with a carefully considered step-by-step process. Here's how to run a benchmarking project from go to whoa:

1. **Set your objective:** Begin by identifying what you want to measure. Clearly define the activities or KPIs you're benchmarking and the key metrics you'll use to complete your analysis.
2. **Collect your data:** Identify how you'll collect data for the best results. Many internal systems will have their own analytics. For external data, consider agencies that collect data on behalf of trade associations and industry groups. Ensure the data is accurate, complete and covers a long enough period to illuminate reliable patterns.
3. **Analyse the data:** Analyse your data in an easy-to-digest format to identify gaps in your performance versus other departments, businesses or industry benchmarks. For large data sets, it may be worth seeking a professional analyst.
4. **Create an action plan:** Your plan should address gaps in performance with measurable, timed targets to improve your effectiveness. Actions should be specific and results focused with planned reviews to assess your progress.
5. **Monitor your progress:** At regular intervals, check your progress against the defined goals in your action plan. If you're meeting your goals, it means your plan is succeeding and you should continue. If not, you may need to review your plan and take a new approach.

How can an accountant help with benchmarking?

Business benchmarking is an exhaustive process and you don't have to do it alone. When seeking support, an expert accountant is a good place to start. An accountant can play a key guidance and execution role, including:

- analysing your financial data to identify benchmarking opportunities
- aligning your benchmarking objectives with your vision, mission and strategy
- helping you choose the most appropriate benchmarks to meet your objectives, informed by industry-specific knowledge
- conducting ongoing monitoring of and reporting on business performance against benchmarks
- communicating results and actions to stakeholders.

Don't trip into these traps

A good accountant can also help you avoid these common pitfalls:

- **An overreliance on averages:** while averages can provide useful insights, they ignore unique aspects of your business which can skew benchmark results.
- **Ignoring changing market conditions:** external factors like market conditions, regulatory changes, and technological innovations can impact the validity and applicability of benchmarking data. Make sure you consider the data in a broad context.
- **Ignoring qualitative data:** while the numbers provide useful insights, they do not capture all aspects of performance. Enhance your benchmarking by considering qualitative factors like customer satisfaction, industry dynamics, management styles and innovation.

Do it right and reap the rewards

Benchmarking shines a powerful light on how your business is performing today to plan a better tomorrow. Of course, it's only of value if your results are accurate and you use them to implement meaningful action to improve your business. To nail your benchmarking and the action plan that follows, it pays to get advice from an experienced accountant who can guide you through the process.

Benchmark your business for success with expert accounting advice.

Ask for a callback from Business Growth HQ.

5 steps to choosing an outsourced accounting partner

Know what you're looking for and where to find it

Choosing the right outsourced accounting partner is crucial to your business's financial health. Streamline your procurement process with five carefully considered steps.

Seek (smartly) and you shall find

Relinquishing control and outsourcing your accounting is a big decision. If you're still weighing up the pros and cons, this article takes you through when (and why) to outsource.

Once you've decided to make the move, the next (and most important) step is choosing an accounting services partner. So, how do you choose the right one for your business?

In this article, we cover a thorough 5-step procurement process to ensure you nail your choice:

1. Know your business requirements and scope of service
2. Shortlist by assessing against your needs
3. Do your due diligence
4. Agree service and pricing structure
5. Plan for ongoing management

Let's dive in and get your search underway.

1. Know your business requirements and scope of service

Many outsourcing projects are destined for failure before they've begun. Why? Because of unclear requirements and poor scope specification. Start with the end in mind and get clear about your business needs and scope of service before searching for an accounting services provider.

First, consider your current accounting processes and identify the tasks you want to outsource. There will be some non-negotiables (e.g. payroll, superannuation) and some which are up for discussion (e.g. virtual CFO role). Next, identify your current limitations. Perhaps you have some system weaknesses or processes that need to be automated. This will guide a clear scope of work for your accounting services provider.

2. Shortlist by assessing against your needs

With a good understanding of your business needs and scope of work, you can start to shortlist potential partners who have aligned expertise. Needs are nuanced across different industries, so it also pays to choose a partner with relevant industry experience to ensure they're up to speed on your business and any unique compliance requirements.

When it's time to start your search, where do you look? First, reach out to your network – e.g. industry colleagues, customers, suppliers, friends and family – to ask if they know or work with a potentially suitable provider. A recommendation from someone you know and trust is often worth its weight in gold.

Next, supplement your list with your own research via Google and review platforms. Target your search by including specific keywords relating to industry, specific technology or areas of specialty.

3. Do your due diligence

With a shortlist of potential candidates that claim to meet your business needs, it's time to do your due diligence. Factors to assess thoroughly include:

- **Their past performance.** Have they successfully supported other businesses in a similar way? Can they demonstrate this with positive reviews, case studies, and happy customers who are willing to refer them?
- **Aligned industry experience.** Have they supported other businesses in your industry? Are they across your specific industry needs, best practice, regulations, compliance requirements, and so on?
- **Certification and licences.** Are they accredited by professional organisations such as the Association of Chartered Certified Accountants (ACCA) and The Chartered Institute of Management Accountants (CIMA)? Are they certified as a Certified Public Accountant (CPA) or Certified Bookkeeper? These accreditations and certifications ensure a standard of excellence.

Take special care with security

Sharing your sensitive financial information with a third party can lead to data breaches, unauthorised access and compromised confidentiality. So, when completing due diligence, be particularly scrupulous about your potential partner's security systems and processes.

Here are some good security questions to ask

- Do you have any risk management policies?
- What physical security measures do you have in place?
- What encryption methods do you use?
- How do you manage cloud access for staff outside your network infrastructure?
- Will our data always be available to me?
- What happens to our files once you've finished using them?
- What are your policies in the event of a breach?

4. Agree service and pricing structure

With the most suitable providers identified, it's time to collaborate on a service and pricing structure. A few factors to consider:

- Look for transparent pricing and a willingness to work within your budget. Flexible pricing models are likely to give you the biggest bang for buck and make outsourcing worth your while.
- Make sure you thoroughly understand the fee structure and check for any additional hidden costs or fees.
- Make sure your contract terms are clearly documented so you know exactly what you're getting for how much.
- Remember that high-quality services often cost more, so make sure you consider cost in a wider context of quality and performance. Sometimes, it pays to pay a little more.
- Ask if the provider offers a free trial period so you can test the waters before committing.

5. Plan for ongoing management

Finally, put a plan in place for managing your outsourced accounting services, ensuring you evaluate performance and ROI on an ongoing basis. When planning your management, consider:

- **Monitoring of cost, time and complexity saved.** Is your provider saving you time, simplifying your accounting and saving you money in resources and technology?
- **Communication and check-ins.** Will you have a dedicated point of contact? How will you stay in touch regularly? How will the provider report on progress to ensure continuous improvement? What is the process if an issue needs escalating?
- **Information transfer.** How will you share information easily, quickly and safely? What will happen to it once it is no longer needed?
- **Strategic planning.** How will you leverage your improved financial intelligence to inform your long-term strategy for improved profitability and growth?

Who is responsible for tax compliance?

When it comes to taxation, your accountant has a duty of care to provide sound professional advice, keep your finances in order, and ensure the management, reporting and payment of your taxes is compliant. Some examples of negligence include incorrectly assessing your tax liability, providing incorrect taxation advice, and failing to identify tax exemptions.

If you receive poor advice which results in financial loss, you may be able to claim compensation with the help of a professional negligence lawyer. Of course, prevention is better than cure so choose your accounting services provider wisely.

Choosing the right accountant is easier with the end in mind

The success (or failure) of outsourcing your accounting depends on choosing the right accounting services provider for your business. It all starts by determining your business objectives, needs and a clear scope of work. Not sure where to start? It pays to get advice from an experienced accountant who can guide you through the process.

Unlock the value of outsourcing with expert accounting advice.

Ask for a callback from Business Growth HQ.

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BUSINESS ACCELERATOR MAGAZINE

Unlocking long-term success with value creation in your business

How value drives growth and stability

Value creation is a powerful way to set your business apart. Discover why and how to do it for sustainable, long-term success.

In today's uncertain economy and competitive business landscape, being 'good' is no longer good enough. So how do you take your business from 'good' to 'great'?

Value creation takes your business to the next level by delivering something beyond a 'good enough' product or service. By creating additional value for stakeholders – including customers, employees, shareholders and society as a whole – value creation drives growth and long-term success.

In this post, we'll guide you through ways to create value – including customer centricity, innovation, data analytics and more.

Understanding business value

Business value is the estimated overall health and wellbeing of a business. It is measured through tangible and intangible elements including assets, stockholder equity, brand, trademarks and societal benefit.

Shareholder value describes the value possessed by a shareholder for owning shares in a company. An increase in shareholder value occurs when a company earns a return on invested capital (ROIC) that is greater than its weighted average cost of capital (WACC).

While shareholder value is based purely on a financial measure, holistic value considers environmental and social measures, encouraging value creation for stakeholders beyond shareholders and consumers to the entire map of diverse stakeholders – including the planet.

Ultimately, creating value is vital for business growth and stability as it grows customer loyalty, share of wallet and overall profitability.

Creating value through customer centricity

All business success starts and ends with the ability to create value for customers. Taking a customer centric approach to value creation reflects this reality.

More than simply increasing customer satisfaction, customer centricity requires a redesign of company strategy, structure, culture and processes. Here are some ways to make it happen:

1. **Customer research:** first, do the work to intimately understand your customers through market research, surveys and feedback.
2. **Products and services:** provide high-quality, customisable products and services, tailored to customers' preferences, to build customer satisfaction.
3. **Customer experience:** deliver an exceptional customer experience (CX) by creating a culture that prioritises the customer and rewards employees for delivering exceptional customer service.
4. **Personalisation:** add value throughout your CX by providing a personalised experience that builds long-term loyalty.
5. **Continuously improve:** collect and analyse customer feedback on an ongoing basis to identify and action areas for improvement.

Creating value through innovation

Creating value requires out-of-the-box thinking to help your business stand out from the crowd.

Fostering a culture of ongoing innovation is a big part of this, encouraging employees to explore new ideas, do things differently and find creative solutions to common customer problems. Make innovation part of your business's DNA by scheduling regular brainstorming sessions, encouraging collaboration across departments and providing employees with the resources, creative space and rewards they need to innovate.

While innovation is crucial, it needs to be anchored with solid operational processes. Optimising your processes allows you to create more value by increasing productivity, reducing costs and freeing up time for creative pursuits. Make sure your processes are streamlined by investing in

process mapping, technology that supports automation and continuous improvement initiatives.

Methodologies like Six Sigma and Lean also support business optimisation. Six Sigma focuses on improving output quality by identifying and eliminating errors and minimising process variability. Lean focuses on eliminating the eight kinds of waste: over/under production, waiting, unnecessary transportation, over/under processing, excess inventory, unnecessary motion, defects, and unused creativity of team members. Lean Six Sigma is a synergised managerial concept that combines the two methodologies to provide greater scope for identifying errors and waste, and driving process improvements for increased value creation.

The right technology also has powerful potential to drive innovation and improve operations. By leveraging automation, artificial intelligence (AI) and digital transformation, you can streamline processes, implement customer relationship management, provide personalisation and enhance CX to gain a competitive edge.

Finally, it pays to stay attuned to market trends, conditions and changing customer preferences. Don't try to be everything to everyone – instead prioritise the features that will deliver most value to your customers and differentiate you from your competition.

Creating value through data and analytics

Harnessing data effectively provides the information you need to maximise opportunities to create value and thrive.

Data makes customer centricity possible, ensuring you have the insights you need to make data-driven decisions based on customer segmentation, profiling and feedback.

As well as helping you assess what is via data analysis, data also helps you determine what will be via predictive analysis – a key part of deciding where to go and what to do next, informed by market and industry trends.

To harness and analyse data successfully, you need the right technology, resources and expertise. With these critical elements in place, your business will be better equipped to build value with visualisations, reports and dashboards that highlight specific challenges and identify opportunities for improvement.

More ways to create value

Other ways to create value include:

- **Employee engagement and development**: attract and retain the best talent, develop their skills and motivate them to produce powerful value for stakeholders.
- **Financial performance:** boost profitability to create business value by investing equity back into your business.
- **Cost control:** reduce excessive spending and waste to redirect resources to more productive areas.
- **Sustainability:** enhance brand reputation and customer loyalty by prioritising environmental and social responsibility.
- **Competitive position:** clearly communicate why your product offers more value than competitors.
- **Competitor analysis:** understand and assess your competitors to stay one step ahead for competitive advantage.

Unleash your organisation's potential

The temptation to focus on short-term results in a challenging economy is strong, but a value-focused approach will pay dividends in the long term. Sustainable profitability from intentional value creation enables you to reinvest in your business, hone your products and/or services, build customer loyalty and drive long-term growth. There's no one-size-fits-all approach to creating value, so consider engaging an accountant who can guide you to the value creation method that will deliver the biggest impact.

Ask for a callback from Business Growth HQ.

Get in touch with us today if you want to chat about anything in this newsletter.

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