

## WBB Newsletter - August 2009

### Our Topics:

- Cashflow and Credit Control
- Trust Update
- Benchmarking
- Company Directors & Tough Economic Times
- Important Dates
- Team Update



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### Cashflow and Credit Control

Do you know your average debtor collection days? A small improvement of this statistic can significantly benefit your bank balance!

The secret to easing debt collection issues is communication.

- With all new customers discuss and agree your terms of trade, explain the billing process, how you charge and when you expect payment. If a potential new customer has issues with these, do you really want them as a customer?
- Ensure your invoicing process is accurate & timely. Do not send out invoices late – this may indicate to customers that your prompt payment expectancy is low.
- Contact your customer early to enquire why a payment is missed. Have they received all the detail to enable them to make a payment? Addressing issues or queries immediately for early resolution leads to earlier payment.
- Where full payment could be an issue – consider instalments to ease customer cashflow – you could consider this for large items prior to delivery of products/services.
- Make it simple for your customers to pay. Options include Direct Debit, Direct Credit, Credit card/eftpos options, Cheque, Layby, Early payment discounts – how many of these do you offer?

Poor invoicing and debt collection systems impact greatly on your life. Additional to interest costs and the time involved in chasing debtors' money, poor collections produce poor cashflows which impact on suppliers payments, asset purchases, business growth, profit improvement, debt repayment and drawings. All of which create stress for you.

Regardless of your debt collection process, it is vital to plan and manage your collections. That is why it is important to have a cashflow forecast linked with your sales and costs budgets, so that your plans and cashflows are projected. Please contact us if you would like assistance with preparing this business tool.

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If opportunity doesn't knock, build a door.



Milton Berle



## Trust Update

As a Trustee you should ensure that you are fully aware of your duties and legal obligations under the Trust Deed and Trustee Act 1956, No 61 (as at 1 July 2009).

Ideally you should be keeping your Will up to date. Consider Powers of Attorney, Power of Appointment of Trustees and Forgiveness of Settlor Loan. It is also good to be clear who has responsibility for the gifting programme and that gifting is based on the actual settlor loan balance in the Trust Balance Sheet.



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## Benchmarking

How does your business rank against your competition? Where are you winning? Where can you improve?

We have been involved in a Benchmarking Survey which enables us to provide these answers to our clients. Are you interested in knowing these vital numbers so that you can improve your business to face the challenges of today?

Benchmarking against the competition is a great place to analyse your business performance and take steps to not just be good, but be GREAT!

If you are interested in knowing your numbers and using this information to springboard your business performance, contact us now – so that we can work together to make your business a top performer. Please contact Brett Craies on 486-7020 to discuss.

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Opportunity dances with those who are ready on the  
dance floor.



*H. Jackson Brown Jr.*

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## Company Directors & Tough Economic Times

During these tough economic times Company Directors need to take extra care. If a company is trading poorly and becomes insolvent, Directors could be held liable for outstanding debts..... amongst other things "trading the company recklessly".

Often during these difficult times directors/shareholders inject personal capital either from hard earned personal savings or personal bank lending into the business despite the fact that the business may ultimately fail. This is disastrous with personal wealth lost and the added risk of possible personal liability.

If your company is experiencing difficulties we recommend that Directors and owners seek our professional advice immediately.

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The pessimist sees difficulty in every opportunity.  
The optimist sees the opportunity in every difficulty.

*Winston Churchill*



## Important Dates

**1<sup>st</sup> Instalment of 2010 Provisional Tax** – the 1st instalment of Provisional Tax for the 2010 tax year for most clients will be due on 28th August 2009. For those clients that are GST registered, you will pay your Provisional Tax at the same time as you pay your July 2009 GST, on the single GST and Provisional Tax Return (GST103) which is due 28 August 2009.

If your trading has been significantly different, or you feel you cannot afford this payment, please give us a call to discuss possible options.

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## Team Update

Congratulations to Chris Hickey who has recently become the proud father of daughter Tiara who arrived at Auckland Hospital on 10 May 2009. Tiara and family are all doing well.

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**In the middle of difficulty lies opportunity.**

*Albert Einstein*

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Regards

Phil, Lewis and the Team

