



BUSINESS  
ADVICE  
AGENCY

# Positioning your business for success!

---

Everything you need to know!





BUSINESS  
ADVICE  
AGENCY

# Contents

- 4 Start or review your business Plan
- 5 Access to Funding
- 6 Importance of consistent Cashflow
- 7 The weight of Debt
- 7 Unexpected Emergencies
- 8 Importance of Reporting
- 9 Review your Financials
- 10 Financial Strategies
- 11 Embrace Tehnology
- 12 Consider Diversification
- 13 Build Strong Relationships
- 14 Stay Agile
- 15 Disaster Management







# Introduction:

In the dynamic landscape of contemporary business, establishing a solid foundation is paramount for long-term success. Setting your business up for success involves strategic planning, meticulous execution, and adaptability to ever-evolving market trends. Whether navigating a startup venture or steering an established enterprise, the initial stages play a pivotal role in shaping outcomes. By prioritizing foundational elements such as market research, robust infrastructure, and effective leadership, businesses can cultivate resilience and agility, positioning themselves for sustained growth and prosperity. This document will help to guide you with real life hints and tips from other successful business owners.





# Positioning your business for success.

## Start or Review your business plan:

Reviewing your business plan on a regular basis is an important part of managing your small business. We recommend making your business plan for a three and/or six-month period, then revise, adjust and go for another six months and so on. Making a business plan for 12 months or longer for SME's is dangerous as too many things change from month to month and as a small business owner, you need to remain nimble and act on changes swiftly. Your Business Plan helps you to stay focused and ensure that you are working towards your goals and objectives. ( Easy to use Business Plan Templates are available to download from the Business Advice Agency's member online HUB.) When the market changes or there is a downturn, it is especially important to review your business plan and assess whether it is still relevant.

To begin the process of reviewing your business plan, start by taking a close look at your current market conditions. Consider factors such as economic trends, competition, and changes in customer demand. Think about how these factors might impact your business and whether your current business plan is still appropriate.

Next, identify any potential challenges that you might face in the current market. This could include things like increased competition, changes in customer preferences, or economic downturns. Once you have identified these challenges, come up with strategies to address them. This might involve:

### **Changing your product or service offerings, adjusting your pricing, or finding new markets to target.**

By conducting a survey of your target market or customer base, you can stay informed about shifts in the market and changes in customer preferences. You can gather this information through social media marketing campaigns by sending out a survey asking about shopping habits and top service providers. Alternatively, you can utilize the resources offered by the Business Advice Agency, such as DIY packages or expert marketing services, or explore the vast selection of courses in their 200,000 course index to learn more about managing your own social media marketing efforts effectively. This will help you stay attuned to the needs and preferences of your community.

### **Marketing.**

No matter what budget you have, you can get started on this today, to increase your sales tomorrow.

By reviewing your business plan and identifying potential challenges, you can stay focused and adapt to changing circumstances. This will help you to continue growing and thriving, even when the market is difficult. Monitor market trends: Keep track of market trends and stay up to date with news and developments in your industry. This can help you to identify potential opportunities or threats and make informed decisions about your business.



# Financial challenges for small business owners

## Access to Funding: A Key to Business Success

"You have to spend money to make money" - it's a saying that has been passed down through the generations, but it can also lead small business owners astray. According to Visual Capitalist, 29% of businesses fail due to a lack of cash. Without sufficient funding, businesses may struggle to keep pace with expenses and ultimately close their doors.

As a small business owner, choosing the right funding is crucial to your long-term success. There are several options to consider, including small business bank loans, venture capital firms, small business grants, individual investors, and strategic asset financing. Each option has its own pros and cons, and it's important to choose wisely based on your unique situation, goals, and business plan.

When evaluating funding options, it's also important to consider the length of your project and match it to the appropriate funding type. For long-term goals, you'll want to consider long-term finance options. It's always a good idea to consult with one of the Business Advice Agency's business advisors to discuss the various options and determine which one is best for you. Finances are one of the most important factors when running a business and there are plenty of "Angles" to cover, to ensure you do not get caught in financial strife. Here are many of the factors that you will need to take into consideration.

When evaluating funding options, it's also important to consider the length of your project and match it to the appropriate funding type. For long-term goals, you'll want to consider long-term finance options. It's always a good idea to consult with one of the Business Advice Agency's business advisors to discuss the various options and determine which one is best for you. Finances are one of the most important factors when running a business and there are plenty of "Angles" to cover, to ensure you do not get caught in financial strife. Here are many of the factors that you will need to take into consideration.



# Preparing for the market shift

## The importance of having consistent cashflow:

Consistent cash flow is essential for the success and stability of a small business. Without cash on hand, you won't be able to pay your employees, bills, or suppliers. Unfortunately, a single bad month can send your cash flow spiralling out of control, and it can take months or even years to regain stability.

Fortunately, there are strategies you can implement to fix inconsistent cash flow and make your cash work for you. Some of these strategies include preparing and maintaining a cash flow forecast, establishing clear payment terms, invoicing right away, offering periodic payment packages, making payment easy for your clients, minimizing your debtor days, focusing on cash flow rather than profits, looking at the big picture, and outsourcing CFO services. By implementing these strategies, you can improve your cash flow and set your business up for long-term success.

Here are some examples of how you can implement the strategies listed above to improve your cash flow:

**Prepare and maintain a cash flow forecast:** Create a detailed forecast of your expected income and expenses for the next year and update it regularly to reflect any changes. This can help you to anticipate cash flow shortages and take steps to address them before they become a problem.

**Establish clear payment terms:** Clearly communicate your payment terms to your customers, including when payment is due and any late fees or penalties that may apply. This can help to ensure that you receive payment on time and avoid cash flow shortages.

**Invoice right away:** Don't wait to invoice your customers - send invoices as soon as work is completed, or goods are delivered. This can help to ensure that you receive payment in a timely manner and avoid delays that can impact your cash flow.

**Offer periodic payment packages:** Consider offering payment plans or periodic payment options to your customers. This can help to spread out the cost of your products or services and improve your cash flow.

**Make payment easy for your clients:** Offer multiple payment options, such as online payments or mobile payments, to make it easier for your customers to pay. This can help to reduce payment delays and improve your cash flow.

**Minimize your debtor days:** Work to reduce the amount of time it takes for your customers to pay you. This might involve implementing stricter payment terms or offering incentives for early payment.

**Focus on cash flow, not profits:** In the short term, it might be necessary to focus on generating cash rather than maximizing profits. This might involve reducing expenses or finding ways to increase revenue.



## **The Weight of Debt: A Common Struggle for Small Business Owners**

Starting a business often involves taking on debt, but it can be difficult to predict how your business will perform in the early stages. This is why many small business owners struggle with debt repayment. As you work to build your income and establish your business, you still have the responsibility of paying employees and suppliers. If debt repayment is becoming a burden, it's important to seek help and explore options such as debt consolidation to get you back on track. Don't let debt hold you back - reach out to BAA Finance advisor for assistance and find a solution that works for you.

Don't let a lack of funding hold you back - choose the right funding option and set your business up for long-term success.

## **Unexpected Emergencies: Be Prepared for the Unexpected**

Emergencies can be costly and throw your financial forecasts out the window, disrupting your cash flow and causing stress and uncertainty. These emergencies might come in the form of unexpected tax bills, equipment breakdowns, or unexpected repair costs. While some of these emergencies might be anticipated through careful planning and budget forecasting, others may be completely unexpected.

To minimize your risk and protect your business from the impact of emergencies, it's important to acquire adequate insurance and create a cash buffer specifically for these types of situations. By being prepared and having a plan in place, you can better manage unexpected emergencies and maintain your financial stability. Don't let unexpected expenses catch you off guard - be proactive and take steps to protect your business.





# The Importance of Reporting for Small Business Owners

## The Importance of Reporting for Small Business Owners

As a small business owner, you have a lot on your plate - you interact with clients, work on marketing, handle bookkeeping, and deal with personnel issues. It can be challenging to find the time to keep track of all of these tasks, and reporting can often fall by the wayside.

However, neglecting to report can lead to financial losses and even fines for missing deadlines. If you struggle to stay on top of reporting details, it might be helpful to consider outsourcing them to an expert. This can take a load off your plate and allow you to focus on other aspects of your business. Don't let reporting fall by the wayside - prioritize it and find a solution that works for you.

## The Importance of Proper Taxation for Small Businesses

Proper taxation is critical for the success and stability of your business. The ATO is using data more effectively to follow up with businesses and individuals who make mistakes on their taxes, so it's important to ensure proper record keeping, correct account codes, and accurate accounting for all cash transactions.

Don't forget about your Fringe Benefits Tax (FBT) return, which is due in May. There are ways to reduce your FBT, such as using the 50:50 Split Method or the Actual Cost Method. It's a good idea to consult with an accountant to discuss these options and determine which one is best for you.

At the Business Advice Agency, we're here to help you face any financial challenge that may threaten your business. Whether you want to consult with one of our experts or hire out specific services, we're here to help. Contact us to learn more and find a solution that works for you.







# Review your financials:

Reviewing your financials is an important step in managing your small business, especially during times of market change or downturn. By taking a close look at your income and expenses, cash flow, and debt, you can get a better understanding of your financial health and identify opportunities to improve.

Start by examining your income and expenses. Look for ways to reduce costs and increase efficiency. This might involve negotiating better rates with suppliers, cutting unnecessary expenses, or finding more cost-effective ways of doing things. You should also review your pricing to ensure that you are generating enough revenue to cover your costs and make a profit.

In addition to managing your costs, it is also important to keep an eye on your cash flow. This is the movement of money in and out of your business, and it can have a big impact on your financial health. If you are experiencing cash flow issues, it may be necessary to find ways to improve your cash flow, such as by collecting payments from customers more quickly or delaying payments to suppliers.

If you require additional funding for your business, there are several options to consider. These may include obtaining a loan, seeking investment, or exploring other sources of financing. If financing appears to be a viable option, you may want to consider a business overdraft. This is a loan with a limit, such as \$50,000, where you can use a portion and pay interest only on that amount. The remaining balance can serve as a buffer for unexpected expenses. A business overdraft functions similarly to a credit card, with a limit and a revolving line of credit for your business. It is important to thoroughly evaluate all available options and choose the one that best meets the needs of your business.

By reviewing your financials and taking steps to reduce costs, increase efficiency, and improve cash flow, you can better manage your small business through a change or downturn in the market. Adapt to changes in customer demand: Keep a close eye on customer demand and be prepared to adapt to changing preferences. This might involve introducing new products or services or shifting your marketing efforts to reach different target markets.







# Financial Strategies:

As a small business owner, it is important to think about your finances in advance and have a strategy in place to ensure "smooth sailing" during times of market change or downturn. Depending on your business and industry, this might involve needing money to buy more stock or pay staff, or simply needing to cover expenses while you close down over Christmas or Easter. By planning ahead and having a strategy in place, you can better manage your finances and increase your chances of success.

## **Here are four examples of businesses that might need money to buy more stock or pay staff:**

- A small retail business that experiences a sudden increase in demand might need additional financing to buy more inventory. This could help the business to meet customer demand and keep its doors open.
- A small manufacturing business that experiences a temporary slowdown might need financing to cover payroll expenses while it waits for orders to pick up again. This can help the business to retain its skilled workforce and be ready to ramp up production when demand returns.
- A small restaurant that experiences a surge in business during the holiday season might need additional financing to buy more food and hire additional staff to keep up with the demand. This can help the business to take advantage of the busy season and generate additional revenue.
- A small consulting firm that experiences a spike in demand for its services might need additional financing to cover the cost of hiring additional consultants to meet the demand. This can help the business to grow and take on new clients without being limited by its staffing resources.

## **Here are four examples of businesses that might need to cover expenses while they close down over holiday periods or slow economic conditions:**

A small retail business that experiences a downturn in demand might need financing to cover its expenses while it waits for business to pick up again. This could include things like rent, utilities, and payroll expenses.

- A small manufacturing business that experiences a slowdown due to economic conditions might need financing to cover its expenses while it waits for orders to pick up again. This could include things like rent, utilities, and payroll expenses.
- A small restaurant that experiences a downturn in business due to COVID-19 restrictions might need financing to cover its expenses while it is closed to the public. This could include things like rent, utilities, and payroll expenses.
- A small consulting firm that experiences a slowdown due to economic conditions might need financing to cover its expenses while it waits for business to pick up again. This could include things like rent, utilities, and payroll expenses.

Overall, having a financial strategy in place is an important part of managing a small business. Whether you need money to buy more stock or pay staff, or simply need to cover expenses while you close down, having a plan in place can help you to navigate challenges and emerge stronger in the market.





# Embrace Technology:

In today's digital age, technology can be a powerful tool for small businesses looking to operate more efficiently and effectively. By embracing technology, small business owners can streamline processes, improve communication, and reduce costs, all of which can be especially important during challenging times.

One way that technology can help small businesses is by streamlining processes. There are a wide range of tools and software available that can help small businesses automate and simplify their operations. For example, you might use project management software to keep track of tasks and deadlines or use a customer relationship management (CRM) system to track customer interactions and sales. By automating and streamlining these processes, you can save time and reduce the risk of errors.

Technology can also help small businesses to improve communication, both internally and with customers. Tools like video conferencing software, messaging apps, and online collaboration platforms can make it easier for small businesses to stay connected, even when employees are working remotely. This can be especially important during times of market change or downturn, when it is important to stay in touch and keep everyone on the same page.

In addition to streamlining processes and improving communication, technology can also help small businesses to reduce costs. For example, using cloud-based software can help you to save money on hardware and IT infrastructure, while online marketing tools can help you to reach customers more effectively and at a lower cost than traditional methods.

Ai tools like chatGPT through open.ai is a powerful example one tool that has become a game-changer for many businesses. Overall, technology can be a very useful tool for small businesses looking to operate more efficiently and effectively, especially during challenging times. By embracing technology and investing in the right tools and software, small business owners can improve their operations and position themselves for success.







# Consider diversification:

Diversification is a strategy that involves expanding your business into new markets or offering a wider range of products or services. By diversifying your business, you can help to reduce risk and increase resilience, which can be especially important during times of market change or downturn.

There are many ways that small businesses can diversify. One option is to expand into new markets. For example, if your business currently serves customers in one geographic region, you might consider expanding to serve customers in other regions as well. This can help you to spread your risk and tap into new sources of revenue.

Another option is to offer a wider range of products or services. This might involve adding complementary products or services to your existing offerings or branching out into completely new areas. For example, a business that currently sells clothing might consider adding accessories or home goods to its product line. Or a business that currently offers consulting services might consider adding training or coaching services as well.

There are many benefits to diversification, including increased resilience and reduced risk. Here are two examples of how small businesses have successfully diversified:

A small bakery that originally focused on selling bread and pastries decided to diversify by offering catering services as well. This allowed the bakery to tap into a new market and generate additional revenue, which helped to cushion the impact of any downturns in the bakery market.

A small consulting firm that originally focused on one particular industry decided to diversify by expanding into new industries. This allowed the firm to spread its risk and reduce its dependence on any one particular market. As a result, the firm was able to weather economic downturns more effectively and continue growing.

By diversifying your business, you can help to reduce risk and increase resilience, which can be especially important during times of market change or downturn.







# Build strong relationships with suppliers and customers:

Developing strong relationships with suppliers and customers is an important part of managing a small business. These relationships can be a key to business success, especially during difficult times when you might need to rely on your partners to help you navigate challenges and setbacks.

To build strong relationships with your suppliers, it is important to work to establish trust and establish mutually beneficial partnerships. This might involve negotiating fair and transparent contracts, communicating effectively, and meeting your obligations on time. By treating your suppliers with respect and consideration, you can create strong partnerships that can help your business to weather any storms that may come your way.

## **Here are two examples of how small businesses have built strong relationships with their suppliers:**

A small retail business owner worked closely with her suppliers to develop new products that were in high demand. By collaborating and sharing ideas, the business owner was able to build a strong and trusting relationship with her suppliers, which helped to ensure a steady flow of high-quality products.

A small manufacturing business owner made an effort to build strong relationships with his suppliers by consistently paying on time and communicating effectively. As a result, his suppliers were more likely to go the extra mile to help him when he needed it, which helped to keep his business running smoothly.

In addition to building strong relationships with your suppliers, it is also important to develop strong relationships with your customers. This might involve providing excellent customer service, offering high-quality products or services, and being responsive to customer needs. By building trust and establishing mutually beneficial partnerships with your customers, you can create a loyal customer base that will continue to support your business through good times and bad.

## **Here are two examples of how small businesses have built strong relationships with their customers:**

A small restaurant owner made a point of getting to know his customers personally, asking about their preferences and offering personalized recommendations. As a result, his customers felt valued and were more likely to return to the restaurant and recommend it to others.

A small consulting firm owner made a habit of following up with her customers after a project was completed to ensure that they were satisfied and to ask for feedback. This helped to build trust and establish a strong relationship with her customers, which helped to keep them coming back for more.

Overall, strong relationships with suppliers and customers can be a key to business success, especially during difficult times. By building trust and establishing mutually beneficial partnerships, small business owners can create a strong foundation that will help them to weather any storms that may come their way.





# Stay agile:

In today's rapidly changing business environment, it is important for small businesses to stay agile and be prepared to adapt to changing circumstances. This might involve being willing to pivot your business model, change your approach, or seize new opportunities as they arise. By staying nimble and open to change, small business owners can navigate difficult times and emerge stronger on the other side.

To stay agile, it is important to be prepared to adapt to changing circumstances. This might involve making changes to your business model, your product or service offerings, or your target market. For example, if you are experiencing a downturn in one market, you might consider expanding into a new market or offering a new product or service to tap into new sources of revenue. By being willing to change and adapt to changing circumstances, you can stay relevant and competitive.

**Pivoting your business model is an effective way to stay agile.** A pivot involves making a significant change to your business model, such as shifting from a Business to Business(B2B) to a Business to Consumer (B2C) model, or from a physical product to a digital product. Pivots can be risky, but they can also be a powerful way to respond to changing market conditions and seize new opportunities. To stay nimble and open to new opportunities, it is important to stay attuned to what is happening in your industry and in the broader market. This might involve reading industry news and publications, networking with other business owners, and staying up to date with the latest trends and technologies. By staying informed, you can be better positioned to seize new opportunities as they arise.

**Here are four examples of how small businesses have stayed agile by adapting to change, pivoting, and staying nimble:**

- A small retail business owner realized that her brick-and-mortar store was not generating as much revenue as it once had, so she decided to pivot her business model and focus on online sales. This allowed her to reach a wider audience and tap into a growing market, which helped to keep her business afloat.
- A small consulting firm noticed that there was a growing demand for virtual consulting services, so they decided to pivot their business model and start offering their services online. This allowed them to reach a global market and reduce their overhead costs, which helped to increase their profitability.
- A small manufacturing business owner realized that there was an opportunity to expand into a new market, so he quickly adapted his business model to meet the needs of this new market. By being flexible and open to change, he was able to capitalize on this opportunity and grow his business.
- A small restaurant owner noticed that there was a trend towards healthier eating, so she decided to pivot her menu to focus on healthier options. This helped her to attract a new customer base and stay competitive, even during tough economic times.

Overall, staying agile is an important part of managing a small business, especially during times of market change or downturn. By being prepared to adapt to changing circumstances, pivot your business model, and stay nimble and open to new opportunities, you can navigate challenges and emerge stronger on the other side.

By following these tips, small business owners can manage their businesses effectively through a change or downturn in the market and emerge stronger on the other side.





# Disaster Management

Small and medium-sized enterprises (SMEs) are often faced with financial or operational challenges due to market shifts or unexpected events that cause significant damage to the business. In fact, 60% of business owners close their business within the first three years of operation, and 50% of these businesses were profitable. The Business Advice Agency is dedicated to helping SMEs run successful businesses, but we are also actively involved in assisting struggling businesses to survive and turn their operations around. We understand the challenges that SMEs face and are committed to providing the support and guidance needed to overcome them.

At the Business Advice Agency, our team of advisors has a wealth of experience in helping small to medium business owners overcome challenges and return to profitability and sustainability. Our primary goal is to help business owners succeed and reduce the high failure rate that has persisted for many years due to a lack of access to affordable, expert assistance. We understand the challenges that business owners face and are dedicated to providing the support and guidance needed to navigate them successfully.

The Business Advice Agency offers an affordable annual membership fee, which provides access to an amazing range of free business support services. In addition, our expert partners and business coaches offer higher-level support for more specialized needs. As a member, you will also have the opportunity to connect with other members in our community through our online forum, "Wilson," which allows for round-the-clock communication and the ability to seek advice from other business owners on similar challenges.







BUSINESS  
ADVICE  
AGENCY

# Positioning your business for success!

---

All information herein, is to be used as a guide only. Please seek expert advice from Accountants, Finance Experts and associated BAA industry partners for Up-To-Date reliable information for what you seek. Information including referenced websites are correct to our knowledge at the time of this brochure release (December 2022) Copyright 2022. All Rights Reserved.

Any Questions?  
P: 1300 725 156  
E: [admin@businessadviceagency.com.au](mailto:admin@businessadviceagency.com.au)