

## NEW REFERENCE SHEETS

These reference sheets and more are available from our website. We will be adding more reference sheets to our online library from time to time.

- **The Winning Business Plan**
- **Promises, Promises – Benefiting from Government Spending**
- **Growing a Business in a Tight Labour Market**
- **GOPOS™ – Mobile EFTPOS**
- **Payment Systems**

## SERIES COLOUR GUIDE

- **START**
- **RUN**
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- **MOVING ON**
- **FINANCE**

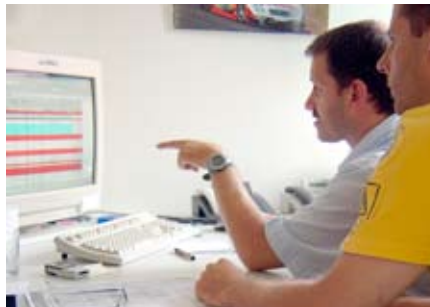
## REFERENCE SHEET WEBSITE

[www.bendigobank.com.au/business/businessfocus/](http://www.bendigobank.com.au/business/businessfocus/)

## FEATURE STORY

# Getting a slice of the government pie

By Nicola Cowie



An election year always brings out the politician's cheque book. With all sides of politics looking to outbid each other on topical issues, there appears to be plenty of money waiting to be spent. The key question for individual businesses is whether any of the money can find its way

to you. But getting government to spend its money with your company requires knowing what is on offer.

One of the first things is to identify the right government body to approach. In doing so it is important to remember that Australia has three levels of government, Federal, State and Local. Each have their own initiatives to provide incentives to business, but more importantly, each of them also outsource substantial slices of their spending to private contractors. Everything from local council waste collection to elements of the national defence service is undertaken by private businesses.

*continue page 2*

## REGULAR

# Business Outlook

## BUSINESS SNAPSHOT

Overall Economy (GDP):	(Q2 $\pm 1.6\%$ )	$\uparrow 3.8\%$
Inflation (CPI):	(Q2 $+1.2\%$ )	$\uparrow 2.1\%$
Unemployment:	(July)	4.3%
Retail Sales:	(June)	$\uparrow 1.4\%$

Percentage is Annual Rate of Change.  
Data are latest figures as published by Australian Bureau of Statistics 1/2/2007

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The Reserve Bank increased official rates this week in response to the higher than expected inflation reading last month, noting the broadly based strength of the domestic economy. While the 'headline' Consumer Price Index rate was only 2.1%, the RBA's

preferred measure of inflation (the 'trimmed mean') revealed a 2.75% inflation rate, and they are clearly concerned about the medium term outlook. The Reserve Bank also noted high consumer confidence, increased demand for credit and ongoing stimulus from high commodity prices.

Meanwhile the global economy received a significant shock this month, with the fallout from the US sub-prime mortgage market (and hedge funds exposed to this market by CDOs- Collateralised Debt Obligations) starting to spread. This segment first came under scrutiny in March, at which stage the market felt the impact might be localised, however now hedge funds in Europe are feeling the pinch, and in breaking news central banks in the US and Europe (as well as here) have injected billions of dollars of

liquidity to the market to attempt to ease contagion effects.

From here we expect the domestic economy to continue to perform well based on the strength of the jobs market and the rebounding property market. Further down the track, it will be interesting to see if inflationary pressures ease due to higher interest rates, or if the global turmoil in bond, equity and credit markets (due to the problems in the US) has a lasting impact in Australia. The federal election is also looming, so perhaps the one thing we can be sure of is volatility! The Aussie dollar reached a 20 year high last month at almost 89 cents, but is now ranging between 83 and 87 cents.

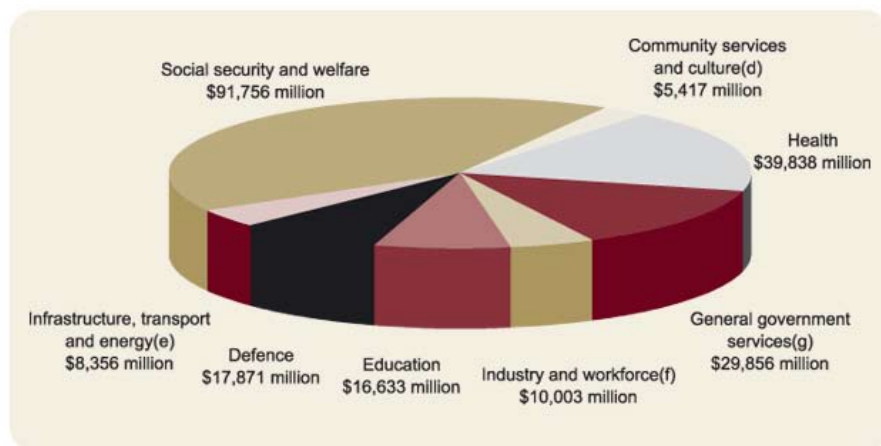
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continued from page 1



## Where the federal government spends its money

In every slice of the pie there are considerable amounts of the budget spent on contracts with private sector firms. While some contracts, such as the provision of new airplanes for the defence force, are well beyond the reach of the average company, there are many smaller contracts that are available to all bidders. To participate you just need to go to <https://www.tenders.gov.au/> and register.

If you think your business could be eligible for some of the many government grants on offer, then once again the internet provides a doorway into government coffers. This time the door is a lot harder to find in the Government's [www.business.gov.au](http://www.business.gov.au) website, so here is the full web address for the page listing all of the Federal Government grants and funding: <http://www.business.gov.au/Business+Entry+Point/Business+Topics/Grants+assistance/Federal+government+grants+funding.htm>

If you can't find anything to suit you at a federal level, then you might like to try at a state level, for example, Victoria is actively encouraging investment in regional Victoria. More detail on what is on offer can be found at <http://www.business.vic.gov.au/busvic/landing//pc=SEC12.html> and while the numbers are not as big, there is also less competition. Similarly Queensland has programs to encourage business

investment through its Department of State Development more details of which can be found here at this website address: [http://www.sd.qld.gov.au/dsdweb/v3/guis/templates/content/gui\\_cue\\_menu.cfm?id=13](http://www.sd.qld.gov.au/dsdweb/v3/guis/templates/content/gui_cue_menu.cfm?id=13) Each of the other states also have programs to promote business investment.

Working for state and local government can also be big business, particularly in relation to health, education and infrastructure. Everything from school bus runs in rural areas through to road construction and office cleaning services are now outsourced. In South Australia, they have consolidated the local government contracts process through a single website which can be found here: <http://www.lga.sa.gov.au/site/page.cfm?u=387>

In other states the various local councils conduct their own contracting processes. It is important at every level of government and in every instance to follow the process carefully. Tenders and grants are not given out lightly and making sure you get all the required boxes ticked, and the documentation right, can be just as important as the finances in determining who get the contract. This is why there are numerous organisations willing to give you a hand. In New South Wales one such organisation is Dynamic Small Business Network which provides a consultation service to its members. There are also private firms specialising in helping firms with grant applications, one such firm is BSI Grants.

A key principle in all of this is that while government may be a future customer or benefactor of your business, it will usually take some time and effort to achieve this. In the meantime you need to be able to get on with business. Another key thing to understand is that some of the contracts last for a number of years, and so being aware of the renewal dates and application processes ahead of time can be just as important as your ability to do the work.

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Nicola Cowie is a freelance journalist.

More in  **Promises, Promises – Get a slice of the government pie** Reference Sheet.

## ARTICLE

## Growing a business in a tight labour market

By Andrew Kent

With the economy continuing to perform strongly many businesses are looking at growth opportunities only to find that they cannot find the staff to take advantage of them. So how can you grow your business in a tight labour market?

There are a number of potential solutions to this question, although not all of them will apply to you.

### Option One Do More with Less

In every business there are things being done because that is the way they have always been done. If you want to get more out of your organisation then look at things that you need to be doing more of, and things you need to be doing less of. Put in place some strategies to ensure that you improve in these areas.

Also take a look at your customers. Consider the sort of customers you want more of and the sort of customers you want less of. While it might sound strange when you are trying to grow the business, parting company with the customers you don't want can often trigger a growth phase. Essentially what you are looking for is reward for effort. Some customers require little effort and provide excellent ongoing business, while others require a lot of effort and provide little ongoing business.

Another part of the business to come under pressure in the current economic climate is the cost of wages. One way of reviewing this is to set yourself an overall wage budget (not unlike an AFL team's salary cap) and then set about determining where the money should be spent.

### Option Two Attracting Staff

The long standing rule of economics is that the balance between supply and demand will drive prices. With the jobless rate at near record lows, should you be expecting



to pay more? If you are looking to employ full-time professionals the answer is yes, you are likely to need to pay more, and you may also need to give your existing staff a reasonable pay increase in order to keep them. If on the other hand you are willing to be a little more flexible in your working arrangements, then you may be pleasantly surprised at the qualified pool of people that are available for work. According to the ABS, a quarter of all people employed part-time would like to work more than they do at present. And that does not necessarily mean full-time. There are plenty of people to whom a work-life-balance is more important than gross salary, and websites like <http://www.careermums.com.au/> are a good place to start looking for them.

But it is not just work hours that can provide you with a distinctive point of difference. The work environment can also be a key reason for people to choose you over others.

### Option Three Buy a whole team

This one is a little outside the square, but well worth considering. With many recruiters charging 25% of the annual salary of a staff member, and the overall process taking a considerable


time to come to fruition, a cheaper and more effective alternative for a growing business may be to acquire an existing business. In this way you will obtain a whole team as well as a new customer base and potential revenue stream, as part of the same exercise. This has long been the approach taken by larger firms with considerable success. Now that the baby boomers are heading for retirement, there is a growing number of quality businesses entering the market at very reasonable prices – see [www.bizexchange.com.au](http://www.bizexchange.com.au) for more information.

One word of warning on this strategy. While buying the business is a very efficient way to get a new team, you will need to do some due-diligence to ensure that the previous owner has not left you with any hidden obligations – such as unpaid taxes, super entitlements and so forth.

### Conclusion

While a booming economy offers opportunities for growth, and the availability of good staff is one of the constraints on taking advantage of this, there are other things to consider as part of your strategy. For example how many staff you will need when the boom times slip back into regular times. You should also consider your longer term strategy when deciding how you are going to grow your business in a tight labour market. Ideally you want short term pain for long term gain, rather than short term gain for long term pain. This is also a very good reason to keep your employment standards high no matter how desperate things are looking.

Andrew Kent is the CEO of Business Gear Change, an organisation that specialises in business change and business growth [www.businessgearchange.com](http://www.businessgearchange.com)

More in  **Growing a business in a tight**

## ARTICLE

## GoPoS™ – Mobile EFTPOS

By Nathan Turley

The next generation in EFTPOS technology has arrived and is available through Bendigo Bank. GoPoS™ is a mobile device with all of the functionality of the EFTPOS machine and all of the mobility of a mobile phone. Not only that, for most businesses it is a cheaper alternative to the old 'click-clack' machine or the traditional EFTPOS machine.

GoPoS™ is ideal for merchants that require payment off-premises. For example, a furniture store can process payment on delivery of goods to a customer's premises. Similarly a tradesperson can receive payment on site at the completion of a job. Other

businesses to benefit from GoPoS™ are transport and taxi operators as well as shops that trade from different premises on different days, particularly market vendors.

GoPoS™ provides overnight, 7 day a week settlement to your nominated Bendigo Bank Business account and EFTPOS rolls are available free of charge at any Bendigo Bank branch.

One of the advantages of GoPoS™ over the old-fashioned 'click-clack' machine is that the card is swiped and the transaction is authorised on the spot, which reduces the risk to the merchant. Losing money through

a misplaced paper voucher becomes a thing of the past.

With GoPoS™ you have all of the features and functionality of the normal EFTPOS machine combined with the portability of a mobile phone. With Bendigo Bank making it easy for existing Bendigo Bank EFTPOS clients to transfer across to GoPoS™, it has never been easier to take your 'cash register' to your customers. For more information on how to get GOPOS into your business, contact your local Bendigo Bank Branch or Business Banker.

More in  **GOPOS – Mobile EFTPOS** Reference Sheet.

## ARTICLE

## Payment Systems – More Options for Business

By Jarrod Kerr and Caroline Dekker

Accounts payable and accounts receivable are part and parcel of every business. While some businesses may have only one or two staff to pay or payments to receive, others may have thousands of inward and outward transactions a week. Wherever your business is in the spectrum, Bendigo Bank has a payment solution that is right for your business.

There is an old adage that you should make it as easy as possible for your customers to pay you. Today that means giving them options. While paying by cash or cheque is still part of the fabric of doing business, more and more business transactions are being done electronically. If you are a club or consumer orientated business with regular payments, then direct debit could be a good option. In addition there is Australia's most popular payment channel – BPAY. Bendigo Bank provides BPAY Biller. This enables your

customers to pay you via BPAY. The service sees your company registered as a BPAY Biller and being able to issue individual Customer Reference IDs to your customers so that you can match BPAY payments with individual invoices.

On the other side of the ledger, paying staff, suppliers and the tax office, as well as any other obligations the business may have, should be an integrated part of your cash flow management. This is why Bendigo Bank has been providing integrated Bulk Payments solutions to customers for several years now. Bulk Payments allows for one or many payments to be made in a single batch. Each batch is checked against cleared funds before it is processed, ensuring that you never have any problems with overdrawn accounts. By far the most popular feature of Bulk Payments is how easy it is to use.

Of course Bulk Payments is not the only option when it comes to accounts payable. Some businesses with a small number of transactions use Pay Anyone. This has the advantage of not requiring an accounting system, however the fees are higher. For those with smaller transaction amounts, cash, cheque and credit cards remain in regular use.

### What is the best combination for your business?

This really depends on what systems you are using internally and how your customers and suppliers like doing business. Given that most suppliers will take the money anyway it comes including electronic deposit, it makes sense to move your accounts payable across to Bulk Payments.

More in  **Payment Systems – More Options for Business** Reference Sheet.

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