

BUSINESS PLANNING

Analysis Paralysis?

Many business owners dread the new financial year, along with the necessity to develop a Business Plan. Organisation survival and keeping up with customer demands may be setting the pace and just fighting the daily fires can be exhausting, leaving neither time nor energy to contemplate the 'big picture'.

Business planning is much more than preparing a budget; it involves clarifying and articulating the strategic vision, analysing market trends, mapping the competition, developing deep customer insights and identifying the company's positioning. Once the business analysis is completed and the strategic direction identified, the specific plan elements and associated budgeting are fairly straightforward. A Business Plan without the relevant internal and external analysis, however, will just be a laundry list of activities rather than a suite of integrated programs carefully formulated to lead the organisation in the agreed direction.

This valuable annual process is not about developing any Business Plan; it is about developing the right Plan for a particular business, taking into account the marketplace, competitive dynamics, current and potential customer base, organisation capabilities and the owner's objectives.

Whether a small family business which has grown dramatically or a large stable multinational, without developing internally or commissioning a Business Plan, key stakeholders, including staff, customers and financiers, won't know where the business is going. So when contemplating the new financial year ahead and tossing up between 'seat of the pants' status quo or a disciplined and strategic business approach, as a business owner or Managing Director, consider the long term objectives for the enterprise, the type of company culture and processes required in the current business world and the ideal working environment.



Once over the initial hurdles, the business planning process can be very motivating and exciting. Whether a company wants to do its own business planning or hire an external adviser to do it for them, the first move should be to think about the goals — then get some advice from an expert.

Sincerely,

Sarah Richardson
Director

BRAND IDENTITY

Professionalism and the Impact on Brand Image

Some people assume branding is only about the company logo and its appearance on business stationery and marketing materials. The organisation's Graphic Identity is part but not all of the



communication of brand image. Stakeholders' perceptions are made up of all of their exposures to the brand including printed marketing materials, emails and the internet, company premises, events, vehicle signage, staff interactions and even invoicing information. Current and future financiers, staff, suppliers and customers are all important stakeholders and it takes a long time to reinforce or evolve attitudes and perceptions.

How are telephone calls answered?
What image do the premises convey

from the outside and on the inside? Does a commercial radio station play while on 'telephone hold' or in the reception area? Is there a uniforms or dress code policy? What about the state of the offices and desks? Do any meeting rooms exist and do they provide a showcase for the company's product or service offerings, awards and key milestones? These are just some of the necessary questions to consider when embarking on a critical brand building exercise.

THE PEOPLE PROBLEM

External and Internal Marketing

Some companies consider internal marketing as important as marketing to external stakeholders.

Organisation culture is often a driving force, setting apart one company from its less appealing competitors. In the current era of skills shortage, an attractive culture can be an enticing reason for personnel to join or remain in a firm.

What is the business culture? Is there a good fit with the vision and general strategic direction? Is the organisation structure and personnel the correct mix for this culture -- or is the culture ideal for the company values and goals?

The heart of the culture comes from the values which

typically are embodied in the key personnel. But it can also be translated through the environment of the firm, the office or operations staff, the human



resources policies and practices or the marketing activities. Some companies consider internal marketing as important as marketing to external stakeholders. This can be as

simple as employee recognition awards or as complex as the internal communication of a rebranding strategy. Whatever the case, if staff aren't in tune with

the enterprise's direction including the appropriate culture, the investments in external marketing will not be as effective. Western Australian organisations are beginning to focus on the whole team being on

board to achieve the firm's goals. Now is the time to consider an internal marketing program as an investment in the future of the enterprise.

LOCAL PICTURE PERFECT

Western Australia: Centre of Universe?

Following a recent conversation on federalism (or secession from the rest of Australia as argued by a colleague), I wondered if this is really a serious consideration for many West Australians.

This state has some wonderful attributes including the pioneering attitudes and vision, along with the value placed on invention and scientific discovery and the unusual mix of sectors such as resources, tourism, retail, not for profit, family business, education, construction, business services and franchising.

A number of Western Australian companies operate nationally or internationally and others wish to expand, with the rest of Australia typically being the first step.

I recently attended a seminar entitled *Boomtown 2050: Scenarios for the Future of Perth* and was reminded of the numerous articles, interviews and conversations about Perth's ability or inability to operate on the main stage, whether it be in business, tourism, urban development, social issues, education, government or the environment. There will always be individuals resistant to

change in organisations and in societies in general and some businesses for a variety of reasons do not wish to expand. Those that do need to move forward. Then Western Australia will increasingly operate as a crucial cog in the wheel of Australia.

STATE OF BUSINESS INTERVIEW

Dr Kenneth Chern, Consul General of the United States of America



Dr Kenneth Chern was appointed as United States Consul General in Perth in 2007. Graduating with a PhD in history of US-East Asian relations from the University of Chicago, Dr Chern spent over a decade in university lecturing roles in the United States and Hong Kong and then joined the US Department of State with assignments in Washington, Beijing, Taipei, Hong Kong, Manila, Cebu and Vietnam. The consulate provides information and assistance to US citizens in Western Australia (13,000 registered), visas and information for travellers to the United States and nurturing of US/Australian business, economic, trade, cultural and political associations. I spoke with Kenneth Chern in Perth on 6 February and asked about his career, the work of the consulate and his outlook on United States-Asia Pacific relations.

“Tyranny of distance and the resources focus” describe some of the exciting challenges facing Dr Chern and his consulate. Leading a group of 20 employees handling a range of consular, administrative and political tasks, Kenneth Chern states “it is fascinating to guide the relations between the US and Western Australia and gratifying to get the opportunity and responsibility to lead an organisation.” Remoteness and isolation represent some of the issues the Perth consulate deals with on a daily basis as it endeavours to extend ties with the other US consulates in Australia and the US State Department’s Washington head office. Geographically, Western Australia is as large as almost a third of the total continental United States and is the US consulate the second furthest away from its national embassy in Canberra. Within Western Australia, Dr Chern recognises the importance of expanding US consular services to the entire state and has already visited the North West on a fleeting industry overview to Kununurra participating in the Australian Institute of Company Directors *Outback Forum* and is organising a consular visit to the South West.

With the developing global importance of our close neighbour, China, Dr Chern believes it important for Western Australia to graduate more students in Chinese civilisation and language. He also suggests we need to consider supplying more than just resources to this burgeoning nation and the prosperous Asian region in general. For example, 70% of mining software used worldwide is developed in Western Australia. “The challenge will be how to reach the next level of added value.”

Dr Chern has a diverse and busy role and an active social and cultural schedule. To date he has already called on most of the large resources firms, the educational institutions

and the scientific organisations. Recently the Cherns hosted an interfaith reception designed to celebrate diversity which brought together 60 of Perth’s religious leaders from Anglican, Baptist, Baha’i, Buddhist, Catholic, Church of Jesus Christ of Latter Day Saints, Jewish and Muslim communities. Dr Chern expressed gratification that the Australian and American peoples share strong values of religious diversity, freedom, and tolerance particularly important in these times of social change and skills shortages.

The consulate is currently preparing for the national Fulbright Presentation dinner being held in Perth in March, which will celebrate the inauguration of the first dedicated West Australian Fulbright Fellowship. Dr Chern explains these distinctive Fellowships will raise the Fulbright profile throughout the state and strengthen research and educational links between Western Australia and the United States. Citing the new challenges of a far more dangerous post-9/11 world, Kenneth Chern recalled Senator J. William Fulbright, who believed that international study was a way to reduce conflict and who accomplished so much to expand international understanding.

Another key project supported by the consulate is the American Chamber of Commerce Trade Mission to the *Houston Overseas Technology Conference* in May to encourage expansion of US/Western Australian business cooperation. Throughout his tenure here, Dr Chern wants to ensure Australians understand that Americans value the alliance and reminds of the need for the US always to be conscious of the importance of reciprocity and mutual respect. He believes that US/Australian relations in recent times have been particularly strong, robust and healthy under both Liberal and Labour governments in Australia and Republican

and Democrat in the US. When asked about what he likes about his current role, Kenneth Chern indicates:

I love being in Perth, it is a most warm hearted city with lots of interesting cultural events, a positive social environment and an exciting economic framework. It is an honour to represent American people in this context. I’m just a New York boy who loves Western Australia’s physical beauty, economic powerhouse, civic culture and proximity to Asia.

Dr Chern has won three individual prestigious Superior Honour Awards for his work in counterterrorism, human rights and public diplomacy and has been cited in several group awards. Following a period of difficult postwar US/Vietnamese relations, in 2006, as Deputy Consul General in Ho Chi Minh City, Dr Chern was awarded for his work during the President’s visit to Vietnam, a key point in advancing cooperation with American Congress and the White House and guiding Vietnam to eventually join the World Trade Organisation. Another important time was during his posting to Hong Kong where he covered the handover to China in 1997.

Dr Chern describes himself as interested in people and ideas, serious and purposeful, and excited about the challenges of his role. “I am looking forward to participating in a very dynamic time for Perth and the future of Western Australia which is now truly part of the political, economic and geopolitical map. I am very keen to help cement the US/Australian relationship and especially enthusiastic for building bridges to China both for the US and Western Australia.”

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Sarah Richardson Consulting was established in early 2004 to provide sales, marketing and management consulting for small to medium sized firms based in Western Australia. The consultancy offers business advice to Managing Directors and owners who may not have a full-time senior marketer or who are looking for an objective outside review.

The company provides consulting on:

- Sales & Marketing
- Organisation Structure
- Forecasts & Budgets
- Purchasing
- Acquisitions Integration
- New Business
- Supplier Management
- Profit Optimisation

Sarah Richardson, the sole Director, has held senior sales, marketing, strategic planning and general management positions over 18 years in the following business-to-business and consumer branded companies:

- Kellogg's (Australia)
- CCH (Australia)
- Johnson & Johnson (Australia)
- Yoplait (France)
- NutraSweet (USA)
- British Petroleum (New Zealand)

Prior to Sarah Richardson Consulting, she managed for three years the national sales, marketing and customer service functions for a small family owned importer and producer of craft products distributing to many small retailers and large chain stores across Australia.

Qualifications include:

- MBA (Honours), Marketing/Finance, University of Chicago Graduate School of Business, USA
- BCA, Business/Accounting, Victoria University of Wellington, New Zealand
- BA, English Literature, Victoria University of Wellington, New Zealand
- CPA and CMA Exams, Society of Chartered Accountants, New Zealand
- Teacher's Drama Diploma, Trinity College, United Kingdom
- Australian Institute of Company Directors/ Women on Boards Scholarship

Sarah Richardson is an active member of:

- Chamber of Commerce & Industry
- University of Chicago Alumni Association (Mentor; Perth Chapter Founder)
- Australian Marketing Institute (CPM)
- Australian Institute of Company Directors (GAICD)
- Women on Boards



DOLLARS & SENSE

Managing the Cost Structure

In the face of tough competition, the easiest trick in the book is to reduce prices. However, eroding margins may then mask a more significant problem of an untenable cost structure.

Technology, equipment, personnel and marketing cost blowouts can have a crippling effect on a company's bottom line. Extreme growth, sometimes driven by acquisitions, can be intoxicating. Looking more closely at the financial performance and business processes may reveal the

revenue increases have reaped neither margin benefits nor system improvements. As businesses become larger and more complex, disciplines need to be incorporated to provide systematic approaches, controls and rigour. These disciplines include organisation structure, communication, roles and responsibilities, and budgeting and control processes. Today's enterprise may be very different from the start up organisation of a few years or several decades ago. In addition to current

business conditions, competition, the legal environment, technology and customers, the personnel requirements will likely differ greatly.

As many organisations approach their new financial year, it is an opportune time to review the cost structure function by function, ensure key personnel understand and embrace the new targets and set up a timetable for budget review.