



## Take some business R 'n' R: Review and Refresh for 2018

While many business owners are no doubt looking for some rest and relaxation following a hectic Christmas period, there is another kind of R 'n' R you should be considering in the coming weeks. It's time to review and refresh your small business. Take stock of what went right, what went wrong and where you can improve and you will start 2018 on a successful note.



### **Do a Stocktake**

For many retailers, the combination of Christmas and summer makes for a busy season of trade. But when you have a moment to breathe again, review your Christmas trade and performance and make sure you quit any Christmas stock quickly to prevent holding it for another year. Quitting stock is rarely profitable, but it provides a cash injection that supports cash flow and also allows you to buy more profitable stock for the next season, for example back-to-school and Valentine's Day lines.

Don't forget to review your products and services to assess which were the highest performing and best aligned to your brand and ideal customer.



## **Evaluate your performance**

Do a review of 2017 by comparing your financial performance to the targets that you set at the beginning of the year.

### **Ask yourself:**

How close to budget were you on income and expenses?

Who assisted you with these targets? (Your accountant? A business coach? Your neighbour's cousin? Would you use them again?)

Has your tax strategy worked for you to minimise tax and maximise net profit? (If not, why not? What should you change?)

And make sure you set some new goals and targets for 2018!



## **Get help**

Make an appointment with your accountant or your business coach. Make sure you contact them as early as you can in 2018 to discuss your plans for the year ahead.

Consider business strategies, tax strategies and business growth, then work out a budget that will support these plans. If you don't have the cash reserves, discuss alternative funding methods.



## **Get ahead**

As a small business owner, you know how important cash flow is. Use this time to get ahead of the cycle by getting organised. Allocate cash for current bills and then look to save money for future capital requirements and investments. Reserve a contingency to trade through slower periods.



### **Get smart**

It's not just about the finances! Free up some time by looking for things in your business to automate so you have more time to work *on* the business rather than always working *in* the business. For example, accounting tools like Xero have apps that allow you to take photos of receipts and reconcile accounts on the run, and many types of accounting software allow you to set automated rules that minimise your time in bank reconciliation.

Also ask yourself whether you have the right tools to analyse your business. Are you then using and maximising that data to contribute to business decisions?



### **Plan your promotions**

Identify seasonal promotions that you will participate in the coming year. Be sure to give yourself enough time before each promotional period to establish the outcomes you're after and work out the details of your plan. The plan should include how you'll engage your potential customers and what benefits you can bring to them – and your business.



### **Conduct market research**

You may have done plenty of market research when you first started your business, but how often do you evaluate what's working and who you're actually engaging with? You should do this periodically as new information, such as census data, becomes available.

Review your demographic and identify new opportunities, instead of putting all your efforts behind EOFY sales.

Consider where your sales are coming from, and which pipelines you might be able to build. For example, are you a bricks-and-mortar retailer whose online sales are growing? And will you need to invest more in that channel for it to reach more of its potential?



### **Foster strong relationships**

Many business owners take customer engagement and loyalty for granted, but customer retention and growth through repeat business can help you stabilise your business to give it a solid foundation to grow.

Assess your customer point of contact and make sure they are all working to engage prospects and retain existing customers. Could your business benefit from a formal loyalty program?



### **Have environmental awareness**

Be alert to changes or proposed changes to your business environment. New developments such as shopping centres, apartment complexes, schools, or places of worship will give you clues as to how to build your community engagement model.

The trick is to avoid the mindset of doing this 'when I have time'. If it's important to you, *make* the time and do it when your head is looking forward: a new year is perfect. A debrief of 2017 and setting some goals for 2018 will give you momentum to focus on and renew your efforts once the New Year fireworks have faded.