

## PRIORITISE YOUR PRIORITIES!

### PRIORITIES

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In the age of information we're constantly being distracted and stimulated by people, advertising and messages. It's like working with the TV on in

our heads! It's time to limit procrastination and filter the white noise.

### Implement LOCKDOWN

Lockdown is a regular period of self imposed isolation. Block out two hours in your calendar, shut the door and put that phone on DND (do not disturb!). Make sure staff are aware that they shouldn't interrupt you unless it really is urgent.

You'll plough through work quickly with a higher standard. And when time is up or the job done, reply to your emails, return necessary calls and revel in your achievement. Lockdown works best with regular intervals!

### Multitasking is a myth

Humans are like computers: when we open two programs, things run slower. Next time you jump tasks or decide to work on another project 'simultaneously' ask yourself if it's because it will produce effective

results or because you're bored or you've finished the easy part? We all need diversity but flicking between many tasks is messy and unproductive.

### Boycott your email

Take your automatic email pop up off so you're not distracted every time you receive an email. Realistically if the emailer doesn't follow up with a call immediately then it can wait a couple of hours.

Go to your Outlook Tools and select Options - Email options (on the preferences tabs) - Advanced email options, and untick the 'Display a New Mail Desktop Alert'... (you can also make rules so emails from specific contacts still pop up).

Are your 'rubbish' emails reaching system critical? If each morning you're sifting through the online store newsletters to find your emails then it's time for an 'unsubscribe-athon'! Click that unsubscribe button at the end of the newsletter and follow the prompts to complete the process.

### Seek support in your quest to be efficient

Make sure your colleagues use email effectively. Email communications should be short, to the point and easy to digest. Emails should be used only when a conversation is not possible or necessary.



## UPCOMING TAX DATES:

**28 October 2017**

- 1st Provisional Tax Payment (May Balance Date)

**28 November 2017**

- 1st Provisional Tax Payment (June Balance Date)

## BOATS AND AIRCRAFT MAY GENERATE A TAX LIABILITY



Sometimes boats and aircraft are used for private and commercial purposes. In such cases, the income from their use may be liable for tax.

Boats and aircraft (valued at more than \$50,000) become mixed-use assets if they are used privately sometimes, and commercially at other times – and not used at all for 62 days of the tax year.

Income-earning days include time you spend either occupying or using the asset to:

- Repair damage, provided it happened during income-earning days and isn't normal wear and tear
- Relocate the asset, if you're paid to do that.

But just taking the craft out for repair, or to fix normal wear and tear, is private use.

You must keep a detailed logbook for each mixed-use asset that records:

- Date of use
- Number of flying hours (if an aircraft)
- Who used the asset (owner or other)
- If not the owner, who was the skipper or pilot
- What the use was
- If you received payment and, if so, was it at least 80 percent of normal market rates.



Uncertainties in business are ever present. Interest rates, overseas markets and international economic conditions all fluctuate. All have an impact on your business whether your own business is focused on export or domestic markets.

How do you factor all of this into getting on with business right here right now?

LEADERSHIP

Leadership is crucial. Business leaders should be articulating plans and strategies that clearly communicate the aims and aspirations of the business to all team members.

PLANNING

Planning is equally important. Emphasis should also be given to planning an ‘implementation strategy’ of the plan itself. It is a good idea to include the whole team in the planning process, because these are the people who are more likely to accurately answer key questions that need to be asked as part of a planning process:

- Do we have enough equipment to fulfil the plan?
- Do we have the right people?

- Have the people been appropriately trained?
- Is the plan realistic? Can it be funded or do we need to raise capital or make an application to the bank for additional funding? Communication
- Communication is critical to the planning process. Management should ensure that all team members understand, not only what is being planned, but more importantly, why. This highlights the necessity for great communication:
- What is the goal?
- How are we going to progress towards the goal?
- Why are we doing this?

This type of information will help maintain an organisation’s alignment, in that all team members will know what the vision is and, more importantly, all have had input to determining what their role is in implementing the vision.

It is no use sitting back waiting to see how events, over which you have very little control, are going to unfold. What most businesses need to be doing is involving all of their team in the planning process. Having the entire team getting on with business.

To effectively manage employees, a manager should give regular and ongoing informal feedback as well as facilitate an annual formal review.

An annual performance review should:

- Clarify the tasks involved in an employee’s role
- Define the basis for wage increases
- Define the basis for disciplinary action
- Measure staff performance consistently
- Document employee improvements
- Identify training and development needs
- Provide motivation to improve skills and performance
- Help to align company goals with those of the employee

An effective performance review process will benefit employees, management and the way the entire business operates. Creating a culture that encourages personal growth and accountability ensures overall business success.

An effective performance review process should:

- Be clearly documented and accessible to staff
- Be fair and consistent across all employees
- Include a review form for the employee to complete that engages discussion of the highs and lows in their role as well as their aims for professional development and their perceived achievement of predefined goals

- Provide an appropriate rating scale for grading employee skill sets, attitudes and important attributes
- Provide a basis to document goals for each employee that is aligned with the business’ overall goals

A performance review should clarify what you expect from your employee and what your employee expects from you.

A performance review should define an employee’s specific objectives and the necessary timeframes to manage the delivery of these.

As a review will probably happen once a year, managers should ensure staff members are comfortable venting their frustrations when they need to. Managers should also keep track of work standards so that they can steer an employee in the right direction if needed. Staff must be encouraged to continue their development, and should be rewarded for good work. There should be no ugly surprises for the manager or the employee come annual review time.

Your team is an investment requiring time and energy. Annual reviews will help you ensure the professional development of your staff and your business. Having regular discussions about goals will help to keep staff engaged and achieve high performance in a high accountability culture.

DEFINING YOUR VALUE PROPOSITION

If someone asks you what your business is, can you tell them in a nutshell? Or will they be bored and confused before the elevator reaches the 2nd floor?

Your value proposition should sum up why a consumer should buy your product or use your services over someone else’s.

You need to understand your prospective clients so you can differentiate your offering from others. Provide clear reasoning why the client will benefit by buying your product or service - and why it will add more value or solve a problem better.

Creating a value proposition:

1. Research what motivates your prospective buyers. What environment do they live in? What problems do they face? Ask yourself how your product or service meets their needs.
2. Define what makes your offering desirable and unique. How can potential clients obtain better value by doing business with you instead of your competitors? You’ll need to provide evidence.

3. Test your message - is it clear? Step into your customers’ shoes and ask yourself: what is actually being offered? Can someone get it cheaper/ easier/ quicker somewhere else? Does the offer convey trust? Does the value proposition make YOU want to buy it?
4. Balance your objectives. If your message is clear but lacks persuasion or it makes people want the product but doesn’t convey that it’s exclusive to you then you’ll need to tweak the message.
5. Boil it down. Remove unnecessary words, keep it simple - it should read clearly on a web page and you should feel confident reciting it to potential clients.
6. Test your proposition. Keep it current so that it constantly reflects your position within the industry. Talk with close clients - ask them what appeals most and what sums up their buying experience.

If your value proposition doesn’t roll off your tongue then you probably don’t have one. It’s time to define how the value of what you’re offering far outweighs the perceived cost.

MUST I PAY TAX ON HOLIDAY HOME INCOME? ... THAT DEPENDS

If you rent out your holiday home sometimes, you may have to pay tax on that income.

The IRD says you have a “mixed-use” holiday home if, during the tax year, you use it for:

- Private use, and
- Income-earning use, and
- It’s unoccupied for 62 days or more.

It is still private use if you receive rent from family members, or from non-family members who pay less than 80 percent of market rates.

The property becomes “income-earning” if you get rent from non-family members at 80 percent or more of market rates.

You can keep the property outside the tax system if

it’s privately owned, *and* your income-earning revenue is less than \$4,000 a year. But then you can’t claim any of your related expenses. You can also remain outside the tax system if you make a loss, *and* your gross income from income-earning use is less than two percent of the property’s rateable value.

If an expense relates to income-earning use and private use, you need to apportion it using this formula:

$$\frac{\text{expenses} \times \text{income-earning days}}{\text{income-earning days} + \text{private use days}}$$

If you make a loss from your mixed-use holiday home, and your gross income from income-earning use is less than two percent of the rateable value, you can’t claim the loss in the current year. You must carry it forward to offset against income from your holiday home in a future tax year.