

# 10 Key strategies to grow and protect your small business



# Contents

<b>Strategy #1</b>	The right business structure	3
<b>Strategy #2</b>	Upgrade accounting software and systems	6
<b>Strategy #3</b>	Improve your customer retention	8
<b>Strategy #4</b>	Make your brand more visible	10
<b>Strategy #5</b>	Protect your business and your people	12
<b>Strategy #6</b>	Be a leader on sustainability	14
<b>Strategy #7</b>	Have a superannuation strategy	16
<b>Strategy #8</b>	Create a positive work culture	18
<b>Strategy #9</b>	Invest in yourself	20
<b>Strategy #10</b>	Outsource to specialists	22

**General Advice Warning:** The information contained on this eBook is general in nature and does not take into account your personal situation.

# Strategy #1

## Make sure you have the right business structure

It may sound obvious, but not having the right business structure in place, or not changing business structures as your small business grows, is a trap for many SMEs. Choosing the right structure for your business is so important because it determines key things such as your taxes, costs, and asset protection.



# The four types of business structure in Australia

1

## **Sole Trader**

This is the simplest and easiest business incorporation and also the cheapest. It's suitable for individuals running a business who will be the sole owner and manager of the business, and who will be legally responsible for all parts of the business venture, including debts, losses, and liabilities. You can hire employees as a sole trader, but you cannot employ yourself.

2

## **Partnership**

If you would like to incorporate in Australia with a friend or business partner, then a Partnership may be a better option for you. This structure is cheap to set up and run, and all partners in the company will share the responsibility of profits, losses, and have control over the business.

3

## **Company**

Unlike sole traders and partnerships, companies are legal entities and are therefore more expensive to set up and run. As an entrepreneur, you'll become a director, and be regulated by the Australian Securities & Investments Commission (ASIC).

4

## **Trust**

A Trust is usually formed for investment and business purposes. Incorporation can be expensive and time-consuming, as a formal deed must be filed to outline how the trust will operate.

## Important things to know about a company business structure

- As a director, you will be liable for your actions and company debts in some cases.
- You must pay super guarantee contributions for all your workers, including your own and that of any other company directors.
- All companies must have a tax file number and an Australian Business Number (ABN).
- The company will own the money the business earns; as a director, you cannot take money out of the business apart from distributing profits as wages and bonuses.
- The company will be required to lodge a tax return and pay income tax at a tax rate determined by the size and nature of the company. You may be eligible for small business concessions.

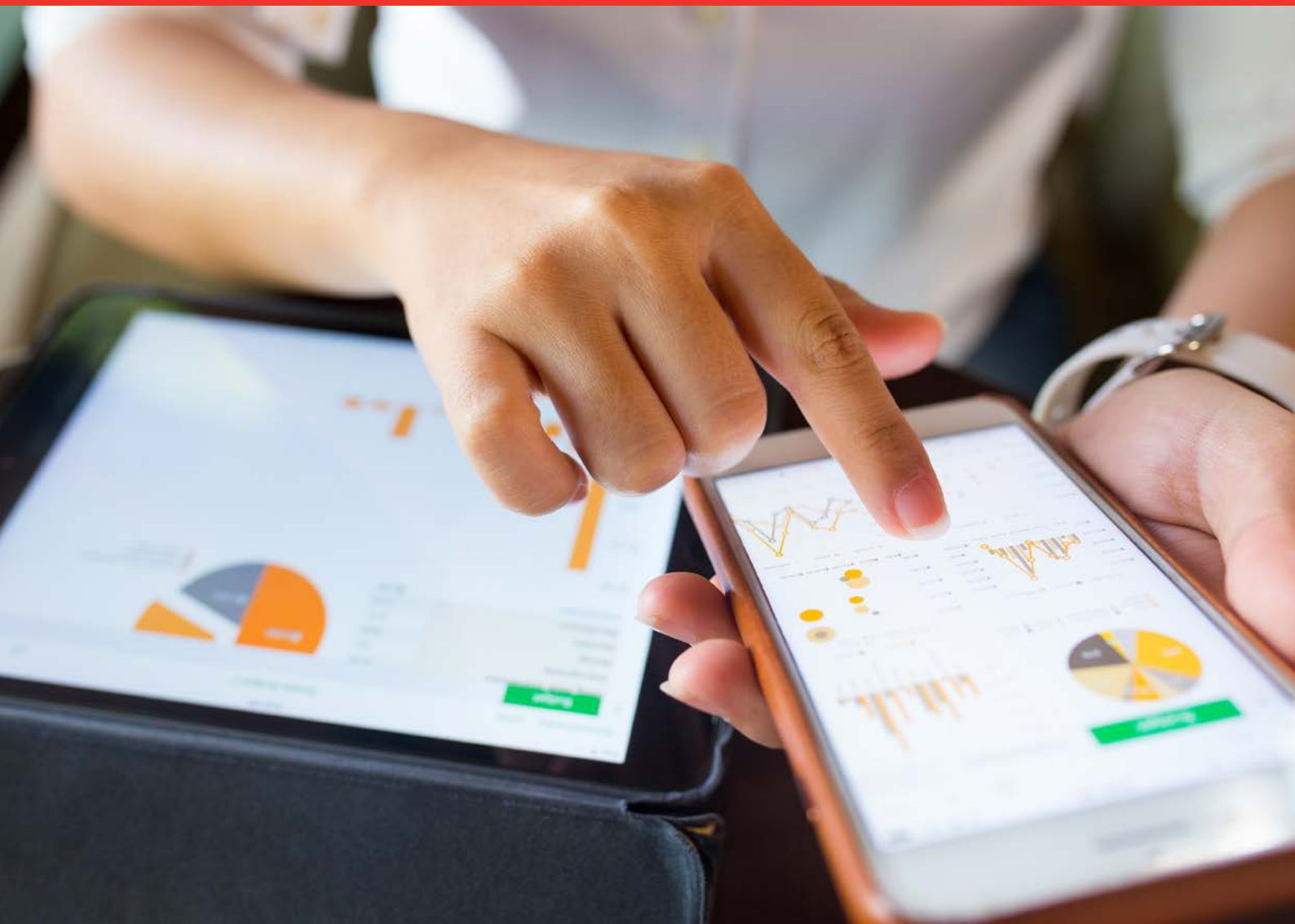
## What to consider before launching a Trust

- A Trustee (either an individual or company) will be responsible for the Trust's operation.
- Trusts must have their own tax file numbers, Australian Business Numbers, and must register for Goods and Services Tax if their turnover exceeds \$75,000. Trusts must also pay super for any employees, including the trustees if they're employed by the business.
- Trusts may pay tax, but if its income is distributed to resident beneficiaries in Australia, then they are exempt. If some of its income is distributed to non-residents or minors, then the Trust should declare its own income tax returns.

We strongly suggest you seek legal and financial advice from a solicitor and financial advisor before setting up or changing your business structure to make sure you're making the right choice for your business. Continuing your sole trader or partnership status may be a better option and you might save yourself a lot of money, time and effort in going down the incorrect path for your personal situation.

## **Strategy #2**

Upgrade your  
accounting software  
and systems



## *Having a good accounting system in place can save you a world of pain when it's time to do your EOFY taxes.*

We definitely recommend finding yourself a good accountant, but you can make their job easier by having the best possible accounting software and systems in place.

There are plenty of great options to choose from these days. One that we like is Xero. This accounting software is especially designed for small businesses. It syncs to your bank accounts and lets you see your invoices, contacts and accounts all in one place.

The ATO has a smartphone app now that lets you record expenses, work-related car trips, sole trader income and photos of your receipts. Then, when you're ready to lodge your return, the software can pre-fill your tax return with that info. If you're using an agent, the software can even email it all to them.

## Strategy #3

Improve your customer retention





*Many small businesses fall into the trap of focusing on acquiring new customers but not on retaining the ones they have.*

So how can you make sure you're doing both? Try these strategies:

**Make customer service your top priority** – Customer experience is everything or it should be. Happy or dissatisfied customers make the difference between positive or negative word of mouth – often in the form of online reviews – which in turn can affect your ability to attract new customers. Find new ways to proactively seek customer feedback and refine your process wherever possible. For example, Google reviews are beneficial and can help your web page jump to the top of the search engine and attract brand new clients.

**Create a loyalty program** – Is there a way that you can reward your customers for their loyalty with discounts, freebies, or extra service? A little can go a long way in making your customers feel valued and furthering their loyalty to your business.

**Use a customer relations management (CRM) system** – CRM systems can help small businesses manage relationships with existing and potential customers and identify sales opportunities. The data gets stored in one place, so you and other employees who need it can access it anytime, which can help you streamline your customer service.

**Engage with customers on social media** – If your customers are reaching out to your business on social media with question or feedback, particularly pain points or complaints, it's important to be responsive. Taking the time to publicly respond and engage demonstrates that you value customer input and take concerns seriously, which is good for your business reputation.

## Strategy #4

Make your brand more visible



## Networking and forming strategic partnerships are two great ways to increase your visibility and grow your business.

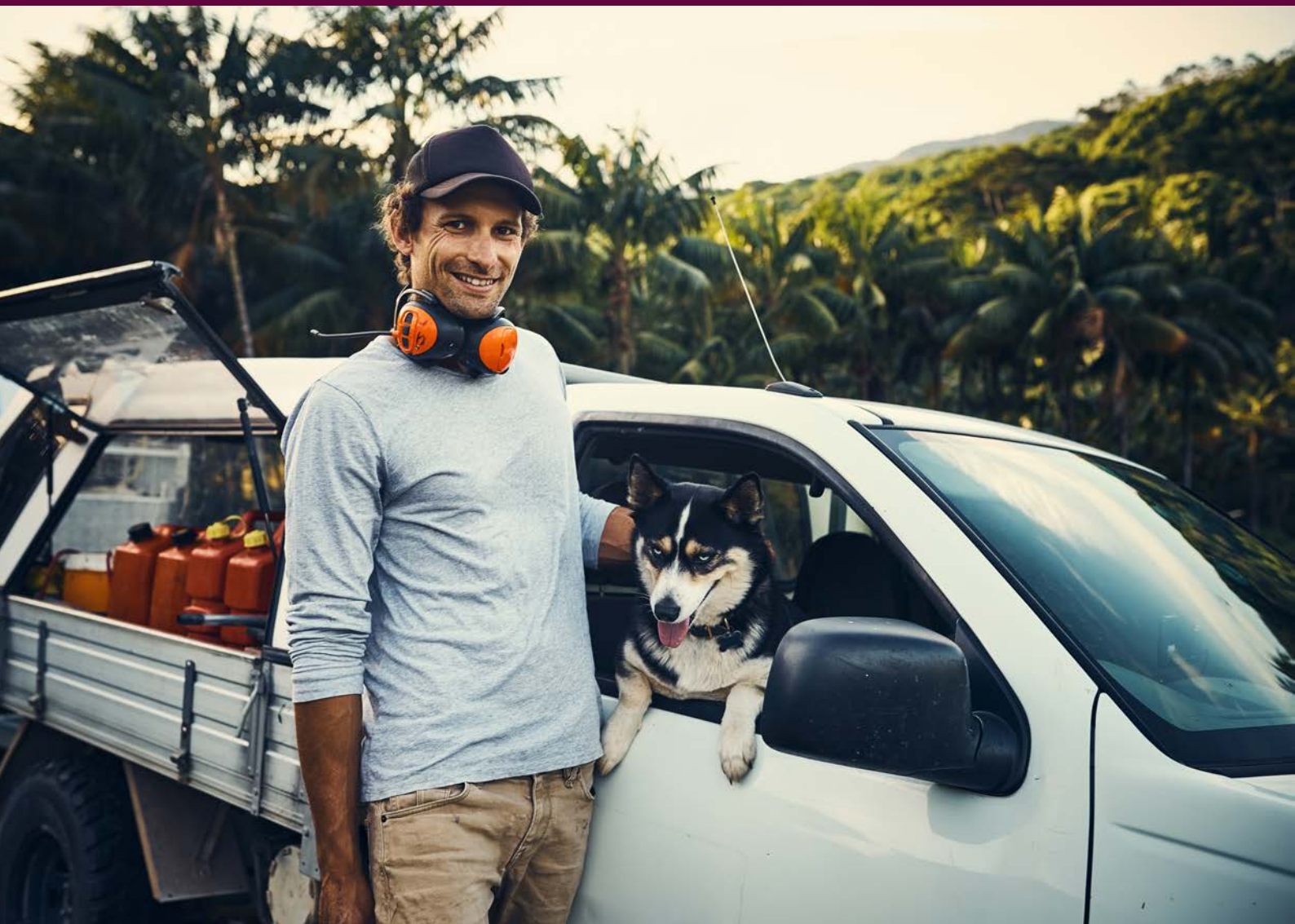
As a business owner, it's also great to take any opportunities to position yourself as an expert in your industry.

- Write and publish thought leadership pieces on LinkedIn or in industry publications.
- Find business groups that align with your own, and network online through LinkedIn and other social media.
- Look for opportunities to attend and speak at industry events. In some cases, you may be able to have a booth at events promoting your business, which can be a great way to meet new customers.

Consider also any opportunities to form **strategic partnerships** that may help grow your business and reach more customers. This could be with another business like your own, a complementary business, or one of your existing customers or vendors.

## Strategy #5

Protect your business  
and your people



*If the COVID-19 pandemic has taught us anything, it's that we can never know for sure what's coming.*

You probably have insurance for your home, your car and your health, but do you have the right insurance cover for your business, including its key people, should the worst-case scenario occur?

As Insurance Brokers and Financial Advisors that specialise in business insurance policies, here are some types of covers that we find are frequently overlooked for the business:

**Professional Indemnity** – Professional Indemnity Insurance cover protects businesses and individuals who deliver professional services from the legal costs and claims for damages from an act, omission or breach of duty that occurs as a result of their actions. It's available across many industries. Speak to a financial advisor to understand what your professional risks are and whether you need this cover. You may be surprised to learn what your potential liabilities could be.

**Cyber Protection** – Cyber-crime is on the rise, making Cyber Protection for your business critical for any small to medium sized enterprise. It can protect you against computer hacking, data breaches, and related risks.

**Group Income Protection Insurance** – Group Income Protection Insurance, also known as Group Salary Continuation Insurance, is an essential risk mitigation policy in today's complex legal environment. Learn more about what you need to know to protect your business and people.

**Key Person** – If something were to happen to yourself, your business partner, or a key executive, what would be the business impact? Key Person Cover can protect you and your business should something happen to one of the main parties.

## Strategy #6

Be a leader on sustainability



*There's no longer any question that we must act on climate change. It's now a business imperative, but it can also be a business advantage.*

Talking about your sustainability actions on your website and social media is one way to get the message out, but it should also permeate each part of your business and messaging in a meaningful way.

If you haven't already done so, consider conducting a sustainability audit on your business to look at what you are doing, what more you could do, and how you are communicating your philosophy and actions to your customers.

Sustainability can also have a place within your superannuation strategy as well. There are now several environmental, social and governance (ESG) investments on the market. ESG is the umbrella term for sustainable and responsible finance components. It is a framework considering ESG factors alongside financial factors in the investment decision-making process.

Ask your financial advisor about sustainable super options that may work for you.

## Strategy #7

Have a  
superannuation  
strategy





*As a business owner, you are required to contribute a certain amount of super for each of your eligible employees.*

This is called the superannuation guarantee (SG), and it increased to 10% on July 1, 2021.

If you're self-employed as a sole trader or in a partnership, you don't have to pay super guarantee for yourself. However, you can, choose to make personal super contributions to save for your retirement, and we would highly recommend that you do. Find out more about [claiming deductions for personal super contributions](#).

Speak with your Financial Advisor about comparing your superannuation fund and opportunities to grow your superannuation tax effectively. This could be particularly important for your long-term financial future if you were one of the many Australians who needed to withdraw some of their super early for emergency funds during the pandemic.

## Strategy #8

Create a positive  
work culture



*At the end of the day, your business is only as healthy as the people in it.*

No matter how big your business is, you should have someone in an HR function – even if that falls to you as the business owner – who is regularly conducting health checks on your workplace culture.

Have a strong focus on fostering a safe, respectful, inclusive workplace, and giving people plenty of opportunities to grow and develop. There are many opportunities for inclusivity training if this is an area you feel you need more knowledge about; simply search for “LGBTQI+ Inclusivity training” in your area.

Work/life balance and flexible work options are increasingly important to employees and can help you attract and retain the best staff. We have found that when issues do arise, sometimes an external mediation process can be very helpful in resolving issues and moving forward.

We recommend viewing this great [TED talk about how to create a positive work culture](#).

## Strategy #9

Invest in yourself



*Your business will stop growing if you do, so be sure to include professional development in your annual business budget.*

I am always looking for new ways to learn, challenge myself, and develop my skill set and professional capabilities. Not only does this keep work interesting and engaging, it helps my business grow, as new opportunities often arise as a result.

Take professional courses, upskill or diversify into new areas, and always be open to new learning opportunities. Business.gov.au has information on [grants and programs for small business owners](#). For example, the [High Growth Accelerator program](#) offers [eligible small business owners](#) mentorship opportunities to help grow a business venture.

# Strategy #10

Outsource to specialists



# Sometimes doing everything yourself is a false economy.

Your time is valuable and outsourcing aspects of your business to specialists who know their field inside out can take pressure off you as the business owner. It can also bring valuable skills to your business that you may not be able to afford full-time, in-house.

With many skilled professionals working for themselves these days there are plenty of ways you can outsource on an as-needed basis. Surround yourself with a team of talented professionals who can help grow your business.

## What should I outsource?

Some examples of areas where outsourcing can really pay off include:

**Marketing** – I engage a small marketing team that helps me manage and grow my business through online content on our website, including helping to produce eBooks and other resources for my clients. This gives me additional access to specialist skills and frees me up to focus on my area of expertise and my clients. Whether it's marketing or paying someone to improve Search Engine Optimisation (SEO) on your website so that potential clients can find you more easily, this type of spend can pay for itself and may be tax deductible as a business expense.

**Bookkeeper** – Any small business owner knows the headache that is trying to balance your own books. Save yourself time and trouble with a professional bookkeeper and accountant. The Institute of Certified Bookkeepers has some helpful information on how to find a good bookkeeper.

**IT** – There are now more IT management solutions that can be tailored to SMEs and work on an as-needed basis, depending on the requirements of your business, particularly as more businesses move to cloud-based solutions.

**Finance broker** – A finance broker is a financial expert retained by the consumer to explore and recommend financing options for real estate purchases or refinancing. The finance broker will compare lenders and help complete all the paperwork and loan origination documentation for personal, business, or commercial opportunities. They will co-ordinate all application requirements with the most suitable lender for your situation.

## Coaching

**Personal** – Our [Coach4U Personalised Coaching Program](#) focuses on the strengths of an individual and their overall wellbeing. Helping our participants to achieve their personal goals for reasons that are important to them.

**Financial** – Our [Coach4U Financial Empowerment Program](#) simplifies the complex, often confusing financial matters to help individuals and business owners to gain confidence in their financial decisions and achieve their most important financial goals. Participants can set up their very own wealth portal and will receive guidance and support to achieve their money management goals.

**Business** – Our [Coach4U Business Empowerment Program](#) helps business owners spend more time working on the business rather than in the business. If you are looking for support in running a business and need help in understanding how to successfully move your business up to the next level, then a Business Coach can empower, guide, and provide you with the confidence to plan for the business, be accountable and meet your personal and business goals.

The [Coach4U Facebook Community](#) is a great place to find the support, accountability and camaraderie of like-minded professionals achieving their money management goals together.

**Financial advisor** – We help owners of small businesses and individuals to plan for their financial future by reviewing their overall financial position and providing a strategic plan to grow and protect their financial wellbeing. We understand their personal goals and help build the financial plan whilst understanding all compliance and legislative implications. Strategy, advice, and ongoing support is the primary benefit of our Financial Advisory Service.

**Insurance broker** – We also help our business clients identify gaps in their cover to better protect their business. We do this by reviewing existing policies and identifying any areas of risk for you and your business. For example, do you have [cyber protection cover](#)? Or do you understand how [Group Income Protection](#) can mitigate business risk?



**Talk to us about how we can help you protect and grow your small business.**

Call IAS today for an obligation-free chat on (02) 8268 2900.

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