



Australian Government

BUILDING OUR FUTURE



ProfitSURGE – Building Better Regional Businesses

*An initiative to increase the profitability of businesses in 7 South Australian Regional Areas. **Gawler & Barossa; Riverland; Mid North; Port Pirie; Port Augusta; Whyalla; Port Lincoln and surrounding district.***

Program Overview

The Australian Government, through the Building Better Regions Fund, has funded a profit improvement initiative for businesses operating in 7 South Australian districts. The outcomes of the program to be delivered by the Gawler Business Development Group, in conjunction with Adelaide Chartered Accountant Philip Arnfield, and buildabetterbusiness.com, will be stronger employment and economic activity driven by the improved profitability of small & medium enterprises.

Increased profitability will provide a long term - permanent stimulus to regional economic activity. Increased profit drives employment growth, employment growth drives increased spending, increased spending drives profit – the relationship therefore between profit, employment, and spending is circular.

The program will work towards increasing the profitability of local enterprises through the delivery of workshops, mentoring, the provision of collaboration opportunities for local business owners, together with the presentation of a targeted education program to upskill business advisory networks in the region. The focus is on owners achieving specific outcomes through high levels of participation, interaction, and engagement.

The workshop program includes a section on Pricing Strategy specifically for businesses operating in regional areas and the role out of MABPRA – Management Advisory Board Protocol for Regional Australia.

MABPRA will enhance the leadership capabilities within regions through the delivery of training in the principles of sound small business governance and accountability. As important as the formal training will be the practical aspects of this program whereby leadership skills will be honed through the active participation in Management Advisory Boards. These boards will be established in a cooperative framework between groups of similar but non-competing businesses in a region.

In support of an ongoing advisory capability beyond the workshops the Federal Funding has also extended to training of accountants and business advisors in the regions so as they are better able to reinforce the strategies presented during the workshops and assist business owners with ongoing implementation of management strategies. This segment of the program commenced in September 2019 and will continue through until June 2020. The program will conclude with an event forum to be held at the Gawler Business Hub on May 21st, 2020.

The program content has been expanded to include strategies to help business owners combat the economic impact of COVID – 19.

Outcomes Business Owners Can Expect.

The result of you successfully completing the *ProfitSURGE* program will be higher profitability and stronger business cash flow.

The achievement of these two outcomes is the basis for inclusion of all content and activities in *ProfitSURGE*.

Simultaneous with the launch of this program the Australian economy received an unprecedented jolt, the ramifications of which are likely to be felt for some time. All business owners are aware of the impact COVID -19 is or will have on trading conditions. As concerning as the circumstances are, we all have options and the opportunity to respond appropriately. The program content has recently been updated so as to address the things owners should be doing to survive the crisis and importantly what they should not be doing.

Program Format & Your Commitment

The program comprises an anchor workshop (refer below for details*) during which 3 core profit improvement strategies will be presented:

1. Pricing Strategy.
2. Product/service & customer segmentation on the basis of profit derived.
3. Accountability in an SME environment.

Following the workshop, you will have access to the presenter, Philip Arnfield (refer bio following) for one on one assistance with implementation challenges you may experience. For those wishing to examine the strategies in more depth and or explore additional business development topics, online sessions will be available throughout April, May and June of 2020.

The Building Better Regions funding extended to the training of a number of accountants and business advisors practicing in your region. Although the program does not extend to the payment of fees, it is possible your existing accountant has taken part in this program and will be able to provide ongoing business advisory support in respect of the strategies presented at the anchor workshop.

*The workshop will now take the form of an interactive eLearning program. Good training produces a permanent change in behaviour. And better financial performance always results from the implementation of better management practices. In the opinion of many leading educators, including those at Harvard Business School, eLearning is more effective than traditional face to face talkfests. COVID-19 has now presented participants to benefit from the experience.

Topic Overview

Topic 1: profit Improvement – First Steps

This topic showcases the significant profit improvement achievable as a direct result of management changing focus from sales revenue to net profit. During this preliminary stage of the workshop participants will calculate the profit improvement potential of their business, gain an understanding of the actions that must be taken in order to achieve the improvement and discover a process that holds them accountable to close out the actions they commit to.

This topic will offer you an insight into the achievements possible through the implementation of the array of strategies to be presented throughout the remainder of the course and will instil the confidence necessary for you to introduce changes to existing processes - where necessary.

Topic 2: Pricing for Profit

The price you charge, more than any other business variable, has the greatest impact on the profit you earn. Strategies will be presented that produce increased margins & stronger cash flow, without impacting price sensitive customers. You will examine pricing strategies adopted by large corporations both in business to business, and business to consumer settings, easily transferrable to the SME space, but rarely done so due to entrepreneurial insecurity. We will delve deep into the pricing structure of enterprises operating in regional communities.

Topic 3: Segmenting Customers, Products & Services - Measure What Matters

This topic will be challenging for those not comfortable working with numbers. However, so significant is the gain to be achieved by getting your head around segmentation and effectiveness, opting out of this step in the profit improvement journey is not allowed! Those participants who do struggle with the financial aspects of the business will receive a system to see them right.

We all know some customers are not worth having and some jobs are not worth doing, but we do them anyway in the belief a few dollars in revenue is better than no dollars in revenue – **wrong!** Service & manufacturing businesses generate profit from the conversion of hours worked (*people or machine hours*) to hours charged to customers. Effectiveness is the measurement of hours traceable into customer invoices, as a percentage of the total number of hours worked or available.

What comes as a shock to business owners is how low this % is in their business, typically in the range 54% to 62%. They are shocked because **busyness** is mistaken for effectiveness, in fact busyness hides low levels of effectiveness. At the workshop you will see that setting a target of 70% (*it will be higher in certain industries*) has a dramatic impact on profit and cash flow, and you will also learn how to monitor the effectiveness of your business – weekly.

Topic 4: Accountability in an SME environment

Accountability drives results, and in the absence of accountability, results suffer. The nature of the small and medium enterprises is such that true accountability is virtually impossible to achieve. The reason for this is that the people who own the business, the people who are charged with the responsibility of managing the business, and the people responsible for setting the strategic priorities for the achievement of growth and development, are one and the same.

Contrast that to the business model of a public company where an executive team is held accountable by a board of directors and the directors are answerable to the shareholders for the long-term performance achieved.

Obviously, a small business cannot afford the cost associated with such a structure, but this does not mean it has to forego the many benefits of the structure. At the *ProfitSURGE* workshop we explain why and the how to.

Topic 5: Strategies to Survive the Virus Economy

During times of economic uncertainty, the first reactions are often to cut expenditure to preserve cash flow and stimulate demand for products and services by reducing prices. But rather than improve cash flow these two actions are likely to compound the problem. In the opening session of this course we explain why and offer recommendations as to what you should do.

How to Register for the Program

You can register for the workshop on the event registration page

<https://buildabetterbusiness.com.au/building-better-regional-businesses-registration/>

or by contacting the program creator and presenter Philip Arnfield on 0407 605 944

Program Creator and Presenter

The program has been created by Adelaide Chartered Accountant Philip Arnfield who will be delivering the workshops and providing mentoring for participants.



Philip operated an Adelaide based firm for over 30 years prior to selling it to a larger group. This has allowed him to concentrate on the creation & delivery of training programs to accounting firms and small business owners.

Philip founded the training company buildabetterbusiness.com and has delivered workshops to clients in Perth, Adelaide, Hobart, Melbourne, Sydney, and Brisbane.

In addition to his formal accounting qualification Philip holds a bachelor's degree in economics and a Certificate 1V in Training & Assessment.

Questions & Further Information: If you require further information about this program the person to contact is Philip Arnfield Telephone 0407 605 944 or via Email philip@babb.com.au