

Business management tips

Here are a few tips that may assist you in managing your business to its maximum potential:

- 1. Look after your customers:** If you look after your customers and are concerned for their welfare and their satisfaction, you will find that they will keep coming back to you for their requirements. This will result in higher sales and profits. The business should never lose sight of the fact that it is the customer who provides the income and they are therefore perhaps the most important link in the chain.
- 2. Watch your buying:** If you buy at the right price this will give you a better margin and flexibility to sell at the right price. Check your prices compared with other suppliers and match up the cost as well as the service offered before making decisions.
- 3. Get the support of your staff:** Happy employees mean a solid business. Your staff will be the biggest asset you have in the business and their support and loyalty is worth a lot of money to the business. Ask for their suggestions and listen to their feedback.
- 4. Watch your expenses:** Make it a point to train everyone involved in the business to watch costs. It is amazing how even small savings can add up. Low costs will mean high profits, which means security for jobs etc.
- 5. Be accurate when paying your bills:** You must have a good system with controls in place so that you do not end up paying your bills twice, or making errors, which cost the business money.
- 6. Chase up all money owing:** Don't allow credit to run too far ahead. If your customers are behind in their payments, give them a friendly reminder and see if the problem can be resolved. Your cash flow is so important to the success of your business.
- 7. Watch how others do it:** It is best to learn from others who have gone before you than have to learn from trial and error. Watch your competitors and pick out those strategies that work well for them and learn from that. Discuss some of the issues in your business with those you trust that have experience in business or finance and listen to their advice. Do not take advice, however, from those who have not succeeded in their own area.
- 8. Watch your wages cost:** It is important for staff to be paid what they are worth and in line with the market levels. However, be very wary of staff that are not productive and either need a talking to or need to be dismissed. Do not carry staff who are costing the business money.
- 9. Keep good records:** If your records and systems are set up properly, the information that you will be able to obtain from them is invaluable. The information should be pulled out weekly or monthly and be used to monitor just how the business is going.
- 10. Keep close to your advisers:** Keep your accountant constantly aware of the business and listen to their guidance. While there is a cost involved, the cost that is given may save the business a lot of money and headaches.



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Managing the business

As a manager, you must be experienced in five main areas of the business - buying, pricing, manufacturing, selling and staff. Depending on the type of business that you have, problems will arise that require your attention. For example, if you give credit to customers you may be involved in the management of credit control and ensuring that collections are handled properly. If you are a retailer or a wholesaler you may find yourself involved in distribution and delivery or merchandising issues. If you are a manufacturer then problems may need to be attended to that involve production and that would usually be a very big factor.

As you operate your business your confidence will grow as each issue that arises is dealt with, so the key is to take it one day at a time and seek help if necessary.

As manager, you will also have to set goals because the business will not run itself. Those goals will determine objectives such as purchasing or making your products, and how to price, advertise and sell them. It will also mean determining targets for maintaining records and determining costs, as well as controlling inventory stock levels. You will also have to make the proper decisions to reduce operation expenses and will have to hire, train and motivate staff, etc.

Good management is the key to the success of the business and good management will start with setting goals. Try and allocate time and energy to managing the business over and above the day-to-day responsibility of manufacturing and selling the product. Your management tasks will include managing yourself and your time, your staff, supplies of your goods, your business partners and your money.

The five things that you will have to look at:

1. Plan your timetable so that you are able to allocate blocks of time for business activities and family and leisure activities. Your work time should also be subdivided once again into technical work and management tasks.
2. How many staff are required at each stage of business life cycle. You will need to determine how to find your staff, what skills they will need to have and what training you will provide.
3. You will need to balance the loyalty, service and possible price advantage of dealing with one supplier against the risks of the supplier becoming complacent or not performing, thus causing you lack of key products or components.
4. You will need to know why your partner or partners wanted to go into business with you and what they expect to get out of the business.
5. You will need to work out when you are going to need money and how much money you will need.

Further information

The following fact sheets provide further information on these issues:

- Best practice
- Business planning
- Business records you should keep
- Control your costs
- Gain employee commitment
- Good management
- Manage business growth
- Management pitfalls
- Reduce your exposure to losses