Know More news...

fkm GLOBAL fear know more...

Welcome to our first edition!

Well it has taken just a little longer than initially planned, but it has happened. During the year you will receive the **Know More News** newsletter, which will provide you with articles of interest and keep you updated with the latest strategies taking place in business.

Enjoy the read and we wish you every business success…

Article 1- Motivating Your Team!

Author: Pollyanna Lenkic on 9 April 2009

Right now it's easy to be busy with frantic business-as-usual activities due to a tightening market, and for some anxiety and panic. Often we can get caught up in our own stresses, sometimes self importance, of our role and function in our business that we leave behind our most important assets - our people. I'm sure no-one reading this has done that, except for when you have! A condition I remember getting caught up in well. Welcome to the human condition.

It's hard to engage and motivate others without looking at yourself. To build on last week's blog, today I wanted to add some tips on what you can do to support and motivate your team? Getting to the heart of the matter will greatly assist you in supporting and motivating your team.

Ask them what they need from you. I find that the most dangerous thing to do is make assumptions.

Establish the cause of the issue(s). Is it environmental? "I can't do this here." You can explore what's missing here? Where could they do this? Where do they work best? What time of day do they feel at their best? Is it behavioural, identity or belief based?

"I can't do it here"? Ask them: What if they could? This will cause a shift in thinking, keep on this track and guide the person to possibility.

Show your confidence in them: "You're the kind of person that can... I believe you can, you can do anything you set your mind to."

Is it about capability? A way of supporting this situation is to acknowledge their capability, "knowing how capable you are I know that you can do this". Connect them to what they have achieved, what are they most proud of? What would they like to learn, move on to next?

Practice listening to how people construct their sentences, where is the emphasis? This can give you a clue. And of course the easiest way to establish what's at the heart of the issue is to ask.

L-R: Dale Coutts, Tim James and Michael Clark(Ring-in) with their medals after completing the Mars Challenge

FKM Global takes on MARS… and wins!

Early on the morning of April 19th two FKM Global consultants and a ring-in embarked on the **Mars Challenge**, an extreme tri-disciplined event not for the faint hearted and possibly for the crazy.

A 21.6 km run - Dale, 70 km cycle – Michael, and a 30km Kayak - Tim, was what lay ahead and we are pleased to advise that the team completed the event in a time of 8:11:33, a new benchmark for the team and a target to be beaten next year.

In a course that can only be described as sadistic, we are please to report that all participants have recovered and are looking to enter an even more extreme event in October in the mountain region of Victoria…we'll keep you posted.

The structure above will give you more places to look and help you with your questioning. Remember there is a difference between interrogation and questioning

Article 2 - 10 Tips to improving Cashflow…

When economic hard-times hit, one measure more than any other separates the business survivors from those that fall by the way – cash-flow.
In boom times, many business owners naturally turn their focus to sexier measurements like sales and profit, but when things slow down it is cash-flow that is the key test of business health. Make no mistake, with the possible exception of the resources sector, the slow-down is coming. Not only have business conditions fallen to lows not seen since the last recession, but the global credit squeeze is making credit scarce and more expensive.
And with all the signs suggesting things are going to get worse – most business owners believe sales, profits and jobs will fall in coming months – now could be the last chance to get your cash-flow right.
The good news is that experts say there is plenty businesses can do to turn a cash-flow trickle into a flood.
Here are 10 of their best tips for boosting business cash-flow.

1. Put together a good cash-flow forecast.
A cash-flow forecast is a key diagnostic tool for the health of a business. Without one, getting your business's cash-flow right is almost possible. Many businesses operating without a cash-flow forecast don't even realise their margins are coming under pressure, according to CPA Australia policy adviser Jan Barned. Small business owners in particular often shy away from putting together a forecast because they find it hard to gauge the affect different factors will have on cash-flow – events like the introduction of a new product line, marketing venture or extra staff member can have an uncertain impact. But Barned makes the point that forecasting is a business skill like any other, with accuracy improving with practice and experience. The important thing is to just start doing it. Here are Barned's five tips for putting together a solid cash-flow forecast:
- Keep it simple.
- Standardise.
- Measure your accuracy.
- Reward those who help.
- Automate and integrate.

‘Your team is a direct reflection of you and your people skills’

2. Communicate from day one.
Once you understand how cash moves through your business, you can start taking action to increase cash-flow. In the current economic and credit climate, there is one key challenge most business owners are likely to face in bringing more cash in the door; getting customers to pay on time.

Once you understand how cash moves through your business, you can start taking action to increase cash-flow. Communication with clients has to start from day one, Webster says, with new clients receiving a notice clearly setting out how long they have to pay bills – and the consequences if they don't.

3. Check the credentials of new customers.
New customers are great, but new customers that actually pay are even better. The problem is, it can be difficult to tell one from the other until it is too late. One measure that can help you avoid the duds is a standard credit check for any new client that will be offered credit.

"References can be helpful just to determine whether a client is a tyre-kicker and will often tell you a bit about the credibility of the individual – as long as you actually check them," Growcott says. Beyond trade references, additional security in relation to new customers can be sought by asking for a bank reference or even a director's guarantee, although most businesses will be reluctant to give them. New customers could also be asked for permission to have an external credit check run on them – credit agencies such as Dun & Bradstreet will carry out checks that a provide a range of information, including a company's legal structure and credit worthiness.

4. Give your customers a reason to pay
Reminders and checks may get the debtors paying in good times, but when things are tight a little something more will often be necessary to bring in the cash. A tool many cash-flow advisers believe is effective, if costly, is the discount for early payment.
"Clients should be told about discounts upfront. People often don't take up discounts even when they know about them, so if you are having trouble it is worth going back and explaining to them what they could be saving if they pay on time. That will often get their attention," Young says.

Even if you are having trouble getting clients to pay, do your research before offering a discount. Calculate what the credit extended to customer's costs your business in interest or lost opportunities, and compare that to the margin a discount will knock off your debtor's book. You can also make paying your bills less painful for your clients by allowing them to pay in instalments, helping them smooth out their cash-flow and giving you some increased security.

5. Spend more time ensuring your big clients pay

Small businesses that rely heavily on dealing with a few, big clients, often find themselves in a bind when it comes to cash-flow – desperate to be paid, but petrified of losing a key customer. The "good cop" part of the process requires constant monitoring of a big client's repayment rates, and quick action if there is any deterioration in the time bills take to get paid.

But if debts blow out, big and small clients alike must know that you will take whatever action is necessary to get paid.

A useful back-up for small businesses heavily reliant on a few big customers, especially given the increasing risk of customer insolvency, is debtor insurance.

6. Encourage staff to bring in the cash

Many businesses reward staff for boosting sales. During a downturn, cash-flow management is arguably more important, so why not give staff a real incentive to help make it happen?

This can mean introducing a performance-based component for accounts receivable staff, but often improving cash-flow requires an organisation-wide effort.

Staff should also be encouraged to participate in cash-flow management by keeping accurate and up-to-date cash-flow data and ensuring it is fed into the business's cash management system.

"Small business owners often find it difficult to go from marketing to customers to being the bad guy chasing payment," Barned says. "Swapping with another business owner can make it easier, and the client doesn't need to know."

'It's better to ask for help than to continue along the road of denial'

7. Debtor finance can help in a tight spot.

There are a range of finance options available to small businesses that can provide an immediate boost to cash-flow – at a price.

Whether called debtor factoring, invoice discounting or debtor finance, these facilities effectively allow a business to borrow against the value of their debtor book.

8. Be disciplined

If sweet-talking, phone calls, or discounts don't get your debtors to start paying, they need to know that you won't be afraid to bring the in big guns.

First big penalty: refuse them any further credit and require them to provide cash on delivery.

Second penalty: To cancel supply.

Third penalty: The end of the line with a debtor is to bring in the lawyers.

It really just comes down to maintaining a professional relationship, being clear about what your standards are and the consequences for breaching them, and following through with that," Christian says.

9. If you can't be disciplined, outsource to someone who can

For businesses that want to beef up their debtor management, but don't want to build an in-house accounts receivable capacity, outsourcing can be an option.

The key test of whether outsourcing will work for a business is how it fits into the bottom line, with the cost of the service balanced against the prospect of improved payment rates and the convenience of somebody else managing your debts. .

10. Don't grow yourself out of business.

Cash-flow management may become imperative during economic downtimes, but periods of rapid growth can present equally difficult cash-flow challenges.

Careful cash-flow forecasting can help businesses avoid growth pains by highlighting the need for increased capital expenditure and the imbalance to cash-flow that comes from an increased debtor book.