



de Blonk Smith Young

ACCOUNTANTS + BUSINESS ADVISERS

Autumn Edition 2016

SIGNAL

WHAT OUR CLIENTS SAY

"John is leading us through a strategic planning process that has enabled us to define clearly where we are going and the steps we need to take to get there."

A. Markham, Hydrobiology

"I feel safe and secure knowing David has my back, and is looking at the business not only from a reporting and financial compliance perspective but also with a focus on business efficiency and risk management."

Kathy Park, BTB Conference Centre

We enjoy helping businesses succeed.

We also enjoy our clients telling their friends and business associates about us. If you know someone who may benefit from our help, please pass on our details or call us on (07) 3221 4465 or email david@dbsy.com.au or john@dbsy.com.au

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CLIENT PROFILE

EDSCO – Education Supply Company Pty Ltd

EDSCO is one of the largest educational supply businesses in Queensland. The company has an extensive range of educational products, ranging from text books to hands-on resources to stationery to charts and stickers for teachers to use in the classroom.

The business has an 800m² air-conditioned shop in north Brisbane, attached to a substantial warehouse facility and offices. It has several salespeople servicing Queensland schools and caters for schools, teachers and parents.



EDSCO is a family business established in 1985 by the parents of the current owner Michael and his wife, Susan Young. Michael and Susan took over full control of the business in 2013, which was the culmination of a 5 year succession plan.

de Blonk Smith Young assisted the family members through the succession plan process, which occurred during difficult times in the retail market.

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CLIENT PROFILE cont'd

With Michael's 29 years working in the business and Susan's background as a school teacher and educational book author, they have spent the last 2 years working hard to learn all the facets of managing the sizeable business at the same time as developing and implementing their own strategies for the future of the business.

"We employ 20 full time and 45 part time people across the year, have around 20,000 teachers and schools holding accounts with us and hold over 20,000 stock lines" notes Michael, "David from *de Blonk Smith Young* has assisted us through our first 2 years of owning the business with great success. We really look forward to our planning meetings and it is so reassuring to receive such sound advice that allows us to put into place our solid business plan."

One of the focus areas of the business for Michael and Susan has been the growth of backpacks. EDSCO has a dedicated team of people who assist at year end in packing around 20,000 backpacks for a range of schools across Queensland.

With that happening at their busiest time of the year (back to school) the entire EDSCO team puts in a huge effort to make sure customer service is maintained at a high standard. "We pride ourselves on being a company that can be relied on to deliver" says Michael "and we regularly get a lot of great feedback from schools, which is a credit to our entire team".



Inside the EDSCO shop

If you have a child in primary school it is very likely they either have an EDSCO packed backpack or you have been in the shop in Kedron!

If you would like more information on EDSCO or their product range, please visit their website www.edsco.com.au or their FaceBook page: facebook.com/edsco.

TAX UPDATE

Superannuation and the SuperStream

A reminder for all employers to be ready for the Government's SuperStream initiative by **30 June 2016**.

Under SuperStream, employers will be required to make super contributions on behalf of employees by submitting data and payments electronically in a single transaction.

Related party employers are exempt from using the SuperStream process if they are contributing transactions to a related party Self Managed Superannuation Fund (SMSF). These transactions can be made using the existing process.

OUTSOURCED CFO™

How to create a competitive advantage? (The 'Uber' Example)

Creating and maintaining a competitive advantage in today's business environment requires constant innovation. New products, services and processes are necessary to acquire and grow customers and improve profitability.

The "Uber" threat to the taxi industry is a good example of how an outdated business model can lose market share.

How can we learn from this example of innovation in a very resistant market? Based on our experience working with businesses of all sizes and types over many years the biggest hurdle to innovation is overcoming old thinking patterns and behavior. The following strategies can help build an innovative business:

Create the right environment

It takes time to make real change at any level, whether it be individual, organisational or cultural. It is often useful to involve as many people as practical in the process. The more support you have for your idea, the quicker you will gather momentum and create change.

Be persistent

We always remind our clients to be persistent. The Uber example shows us that the road to innovation does not always have a warm welcome. Change can be met with negativity and rejection. The key is persistence and repetition.

Introduce change gradually

A good idea can sometimes fail if you try to introduce too much, too differently and too quickly. When advising clients we have found it helps to relate a new idea or process to something that is already in place but perhaps needs fine-tuning.

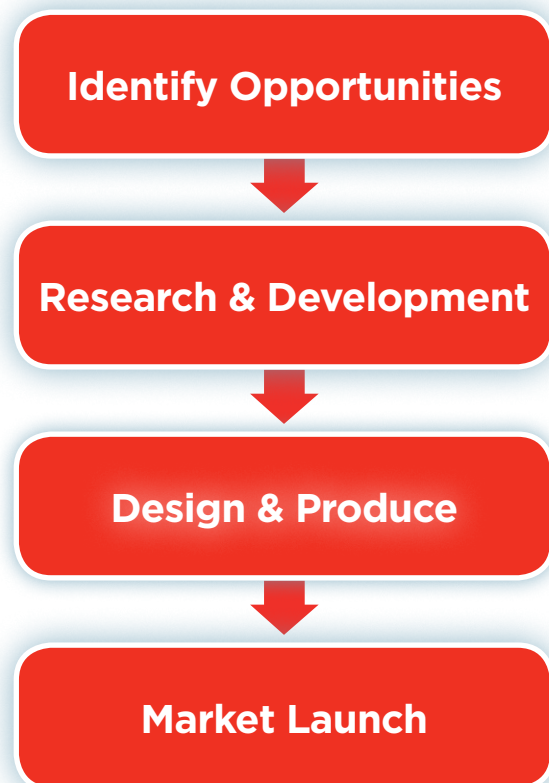
Learn from your mistakes

Invariably, real innovation involves risks and challenges, particularly in the early stages.

Accept any mishaps and more importantly, learn from them.

Measure the points of success

The development of a new product or service needs to be managed properly to maximize the return on investment. It is critical to measure the right points of success during the innovation cycle.



Innovation Process

As you can see from the 'Uber' example, innovation should be an integral part of every business. Despite this, it tends to receive less attention than the operating and customer processes.

Whether you have an existing business or are in the early stages of starting one, the above strategies should increase the likelihood of success following implementation of your innovation.

Feel free to contact **John** or **David** on **(07) 3221 4465** if you would like to discuss how we could help you.

TAX UPDATE cont'd

You can Get Ready for SuperStream by:

1. If you are using software to process your payroll check to see if it conforms to SuperStream.
2. If you do not use software to process your payroll, some options may be:
 - a. Outsource your payroll function
 - b. Use a commercial clearing house
 - c. Use the free Small Business Clearing House (if you are a small employer).
3. Collect the following information from your employees in relation to their superannuation fund:
 - a. For APRA-regulated funds, a unique superannuation identifier (USI)
 - b. For SMSF's, their Australian Business Number (ABN)
 - c. Bank account details for receipt of contributions
 - d. Electronic service address

TEAM NEWS

After returning from a well deserved and relaxing break the team is well prepared for the New Year ahead.

In January we welcomed Jessica to our team as a trainee accountant. She is studying a double degree of Accounting and Psychology at QUT and is looking forward to the year ahead working at *de Blonk Smith Young*.

We want to wish all of our team the best of luck as they commence their next semester of studies.

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PROFIT VALUE GROWTH CASH FLOW SUSTAINABILITY

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