

ACCELERATE

April • 2018 | Issue • 009 | Client Satisfaction

OUR NEWSLETTER FOR GROWING BUSINESSES

SERVICE WITH A SMILE

Want to win new customers? Ok great. But whatever you do, don't ignore the ones you already have. Studies show that the longer your customers stay, the more they'll spend with you*.

Happy customers = loyal customers = boosted bottom line.

****Depending on the type of business, reducing the loss of customers by just 5% can boost profits by 25% to 95%.***
Ref: Multiple effects of business plans on new business ventures – Burke, A; Fraser, S and Green, F; Journal of Management Studies Vol. 47 Issue 3 pp. 391-425, May 2010



Feel the love

pg. 2

Is climate change affecting your work?

pg. 4

Cleaning out the dirty money

pg. 3

Business health check

pg. 4

Minimum wage increase

pg. 3

Key Dates

pg. 4

Price hike hacks

pg. 3

CONTACT OUR TEAM

Phone +64 9 283 8428 | Email info@businessplusone.co.nz

www.businessplusone.co.nz



FEEL THE LOVE: HOW RAVING FANS CAN ROCK YOUR BUSINESS

You may have heard the term 'raving fans'. It's a passionate subset, usually about 10-15% of your customer base, who are so in love with your business that they shout it out from the rooftops. They keep coming back, not because it's convenient, but because they want to. And even if you've had a bad moment, they'll stick with you while others shoot out the door.

These people are GOLD, and the very best ambassadors for your brand. So how do you go about reciprocating their loyalty and growing their numbers?

According to global leaders like Apple, Starbucks and Amazon, the trick is to '**do right and delight**'. We're talking customer service with bling; giving 100% then adding that surprising bit extra. Here are some tips to try:

UNDER PROMISE AND OVER DELIVER.

It's tempting to promise the world to your customers. But be careful - because then you have to live up to the hype! A better approach is to deliver more than your customers expect. Tell them that their parcel will arrive within in three days for example, and then send it overnight. Or throw something extra into the deal, like a percentage off their bill.

When you surprise and delight your customers with added value, they'll return the favour in kind – raving about your fantastic service to their friends and contacts, who are then primed to become your next customers.

BE CONSISTENT – DAY IN, DAY OUT.

While it's good to inject a bit of wow factor from time to time you also need to get the basics right. It starts with being consistent, and making sure that your customers' experience is seamless across the board.

With every interaction - be it in person, online or over the phone – your clients need to know what they're going to get, and that they can count on you to deliver. That's what keeps them coming back - and, over time, moves the relationship from happy customer to loyal, raving fan.

TURN LEMONS INTO LEMONADE.

On the odd occasion that things do go wrong (and they will), don't panic. Always remember that it's less about the issue itself and more about how you handle it. A slip up is often the best chance to lift your game, showcase your ability to listen to your customers and potentially turn a peeved client into a loyal one.

When a problem is resolved quickly and efficiently, in a friendly and responsive manner – the negative becomes a positive. PS: smiles help too!

ASK FOR HONEST FEEDBACK.

A satisfaction rating from 1-10 isn't really going to help you. But when you dig deep and ask specific questions, like 'what's the one thing we can do to improve' – then you've got something to work with.

It's important that you follow through, and act on this feedback of course. And keep your customers in the loop. Because people love to know that their opinions matter - it strengthens the relationship, and gives them a vested interest in your success.

Also, while we're on feedback, never underestimate the power of a good old-fashioned testimonial. Once you have your raving fans, be sure to use their reviews on your website, throughout social media and on all your marketing material. True stories from enthusiastic customers are powerful. Leverage them!

Finally, always remember that while raving fans are happy to tell everyone about the things they love about your company – disgruntled customers can't wait to rattle on about their bad experiences. We know which scenario we prefer. What about you?

CLEANING OUT THE DIRTY MONEY: NEW LEGISLATION PUTS LAUNDERING IN THE SPOTLIGHT

While New Zealand is hardly the money laundering capital of the world, we still see our share of shady activity. Every year, around \$1.35 billion of fraud- and drug-related money is laundered through legitimate New Zealand businesses.

As you'll recall from the previous Accelerate, the Government has extended the reach of the Anti-Money Laundering and Countering Financing of Terrorism Act.

From October, your friendly accountant will be required to comply with this revised Act. So you might notice us asking for information about your business that we didn't used to – especially if it involves large cash transactions, or multiple companies or trusts.

One reason for the change is that criminals target high value dealers to launder money. If you've seen the Netflix series Ozark (it's a goodie!), you'll know how it works. A common ploy is to buy expensive things with cash, then sell them and get 'clean' money back.

If you deal in high value goods, you will need to consider these new rules as cash payments of \$15,000 or more in one transaction or which add up to \$15,000 or more in a series of cash payments will be caught by the Act from 1 August 2019. The Department of Internal Affairs has also set up a team to help businesses comply. Go to justice.govt.nz and search for AML/CFT supervision and support for businesses.

Even better, call us and we can advise you on what the Act means for your business.

PRICE HIKE HACKS: HOW TO MANAGE AN INCREASE WITHOUT LOSING CUSTOMERS

The decision to raise your rates is a tricky one. But in the end it's not the hike itself that's important, it's how you implement it.

Netflix, for example, put its prices up recently. And while their customers didn't like it, after a few rumblings, the majority stayed on. So what did this entertainment giant do to make the pill easier to swallow?

They timed it.

They were about to release the new season of hit series House of Cards, Stranger Things, and The Crown, so were able to say to their customers 'for the extra money, you'll get brand new episodes of your favourite shows'. It was a smart move - adding value to offset the shock.

There are other ways you can introduce pricing changes, in a way that softens the blow for your customers. Two strategies include:

EXPLAIN WHY THE PRICE HAS RISEN.

You'll find that customers will be more understanding if you take the time, upfront, to tell them why you're introducing the change.

Perhaps there's been a rise in the cost of manufacturing or delivery. Or maybe it's been a long time since the last adjustment. Communicating these points clearly – and in advance - means your customers will have time to prepare, and will feel valued and respected. There may even be a rush on sales, as they'll want to get in before the new pricing takes hold!

Whatever you do, don't apologise for the increase. Instead, be confident and show the customer why it's fair and reasonable.

OFFER A BONUS TO OFFSET THE PRICE RISE.

People honestly won't mind paying more as long as they feel they're getting value for money. Which is why it's a great idea to announce a price hike, then at the same time let your customers know that they will be getting more than they did before.

Enhancing the quality of the materials you use, offering new options within your range, providing education, or even introducing new packaging for your product can help sweeten the deal and justify your move.

In the end, raising your prices doesn't have to go hand in hand with losing customers. Often it can even lead to a better quality of customer – one who has a firmer grip on the value you provide.



MINIMUM WAGE INCREASE: 1 APRIL 2018

By the time you read this, the minimum wage in New Zealand will have increased from \$15.75 to \$16.50 per hour.

Minister for Workplace Relations and Safety, Iain Lees-Galloway, says the \$0.75 rise will benefit around 164,000 workers and their families, and will increase total wages by \$129 million per year.

"Raising the minimum wage was one of the Government's top priorities for the first 100 days," he says, "and we are committed to increasing the minimum wage to \$20 by 2021."

The Minister also advised that within the first 12 months of the Government's term it will abolish starting-out rates and consider changes to the training wage. In the meantime, those rates will continue to be 80% of the minimum wage, increasing to \$13.20 per hour from 1 April 2018.

More at www.beehive.govt.nz/release/minimum-wage-increase-1650-hour. And call us if you need advice on implementing the rise for your staff.

IS CLIMATE CHANGE AFFECTING YOUR WORK?



BUSINESS HEALTH CHECK

- Now that 31 March has come and gone (whew!) it's time to focus on other things. So why not update content on your website? The more fresh information, articles, downloads or new pages you add, the more frequently the search engines will visit your site. That means more chance at higher rankings – and reaching the customers that matter most.
- Have you got your electronic back up system sorted? It's easy to let things slide ("It's OK, I'll do it tomorrow") – but rest assured, systems can and do fail, so **don't leave it until it's too late**. Options for back up include using an external hard drive, flash drive or cloud storage. Get someone on your team to take charge today.

Regardless of your stance on global warming, there's no denying that we've had some unusual weather patterns of late. This summer was one of the hottest and stickiest on record – hampering output at times, and making it difficult to operate efficiently.

But an overheated workplace is more than just a productivity issue. It also affects safety. On-the-job accidents and injuries are more common during hot weather, so managing extreme temperature is something that all employers need to address.

This has been a workplace health and safety consideration for some years now, according to WorkSafe's Deputy General Manager, Investigations and Specialist Services Simon Humphries.

"Employers have a legal obligation under the Health and Safety at Work Act 2015 (HSWA) to identify risk in the workplace and mitigate that risk appropriately. Managing extremes in workplace temperature – both hot and cold - is one of these risks," he says.

"Recognising the signs of thermal discomfort or stress and raising concerns is important for both businesses and workers to manage health risks that come from working in an environment that is too hot or too cold."

Signs of heat-related illness in the workplace include:

Fainting, heat stroke, cramps, rashes, exhaustion and fatigue.

Tips to prevent heat-related illness or injuries:

Make sure you have plenty of cool drinking water on hand. Encourage your employees to wear lighter clothing and take more breaks. Use temperature control / HVAC systems indoors. Schedule physical work to cooler times of the day. Use machines to reduce physical activity. Provide shade and sunscreen for employees working outdoors. Equip workers with information and training to help manage heat-related fatigue and illness.

More at worksafe.govt.nz/topic-and-industry/temperature-at-work/

KEY TAX DATES APRIL 2018

DATE	CATEGORY	DESCRIPTION
5 April	PAYE	Large employer returns and payments
7 April	Income tax	Terminal tax due
20 April	PAYE	Small employers return and payment Large employers return and payment
20 April	RWT	RWT return and payment due for deductions from dividends and deductions of \$500 or more from interest paid during March RWT Return and payment due for interest payments made 1 Oct 17 to 31 March 18 where the deductions do not exceed \$500 per month
20 April	N-RWT / Approved Issuer Levy	Return and payment for March

***Disclaimer:** This publication has been carefully prepared, but it has been written in general terms only. The publication should not be relied upon to provide specific information without also obtaining appropriate professional advice after detailed examination of your particular situation.*