

09

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business as usual

owcheemama

In November 2008, a new online home-made bag business – owcheemama bags – was launched in Tasmania. owcheemama bags is dedicated to producing stylish and individual bags from colourful cotton fabrics. All bags are home-made and unique.

Bec Schultz, the inspiration behind owcheemama bags, is passionate about fabrics and bags, and has been sewing since she was very young. She spent the majority of 2008 transforming her hobby into a viable business. After two months of operation, Bec is pleased with the business owcheemama bags has drawn in, and points to good planning, attention to detail and her love of sewing as the keys to her success to date.

Business East and the Tasmanian Polytechnic played a significant part in this process, assisting Bec to transform owcheemama bags from an idea into a working business.

During 2008, Bec became a member of Business East and attended all four seminar sessions offered by Business East for people involved in small business. These seminars gave her good solid grounding for planning and marketing the business as well as understanding the financial and legal aspects of being a small business. Business East was also able to put Bec in touch with the right people in relation to intellectual property and licensing, as well as the broader Eastern Shore business community through Business East's Women in Business networking group. Bec describes Business East as a highly supportive environment to bounce off ideas, receive constructive feedback and to gain perspective on running a small business. She appreciated the friendly nature and professionalism



of the staff and would like, in particular, to thank John Beard for his assistance.

While owcheemama bags is currently an online business, Bec's next plan is to take her bags to the markets around Tasmania. There are four main types of bags in the owcheemama bag range - the Sling Bag; Summer Cane-Handled Bag; Let's Have Fun Clutch; and the Mini-Skirt. owcheemama bags also specialises in custom made bag orders using the fabrics on display on its website.

owcheemama bags can be found at
www.owcheemamabags.com.au

pizza on
the canal!

A few month's ago Phillip and Kym Reeve sought information on the purchasing the leasehold of the "Canal Cafe and Pizza" at Lauderdale.

They were given a lot of advice from the Manager of Business East Inc. on the purchasing of a business. Such items to be taken into account were :

- Why is the business for sale ?
- Lease terms and renewal options
- Sighting past three years financial statements
- How long has the business been operational?
- Competition and potential competition in the area.
- Speak with customers, suppliers, and staff.
- Overall outlook of the industry.

After undertaking a lot of research, Phillip and Kym purchased the business and from all reports are achieving good business results.

new kids on the block!

This is the story of how John Beard of Business East took a husband and wife, Kathleen Murray and Cameron Johnston, with no prior small business experience; and gave them the confidence and business sense required to see their greatest dream come to fruition: running their own successful small business.

We knew we wanted to cease being 'wage slaves' and run our own business. We knew the right idea would give our family the financial and personal freedom we both craved. We knew the wrong idea would lead us to financial ruin.

What we needed now was not only the right idea, but someone we could trust to mentor us, to take that journey with us, and turn our idea into reality. That person was John Beard.

We met with John and fielded a few ideas past him. But none of them, in his experienced opinion, had the financial stability that a family with four young children and a hefty mortgage required.

Then, several months later, something happened that would propel our lives in an entirely new direction. We ran out of water. After waiting 6 hideous days with an empty water tank, and all the water trucks too busy to come, we knew that here was a real business opportunity. Water delivery! Here was a business idea that could provide us with year-round revenue.

Cameron and I arranged another meeting with John. He agreed that this idea was worthy of further



investigation. We left with armfuls of business guides on all aspects of starting a business and small business management. Neither of us had even done a business plan before.

After we had fully researched our business idea, John gave us the green light and helped me prepare an application for funding through the "Women in Business" loan scheme run by NILS. We got the funding. John also recommended we talk to Mentor Resources of Tasmania, to get the inside story on trucks.

After 6 months of careful preparation, and a business trip to Victoria to buy a water truck, we launched "Johnston & Sons Water Cartage", as planned, on November 1st 2008, complete with our very own business website.

Our Mission Statement is to deliver our customers' water within 24 hours of their order. No longer will anyone have to wait 6 agonising days without water.

by Kathleen Murray

special thanks to the sponsors of the clarence cup race day



ashton wear

Vicki McGuinness of Mornington is now making and selling "Little Robes" garments that she made for her children 26 years ago. It comprises a range of baby clothes under the label "ASHTON WEAR". It took her gorgeous grandson Ashton to inspire her.

Having completed 4 years of dressmaking designing earlier in her life, Vicki wanted to manufacture and retail her very attractive and serviceable baby garments.



Vicki sought guidance from Business East to gain knowledge on the requirements of managing her own business.

City of Clarence Business Excellence and Service Awards

excellence awards

premier award

- Aequis

gold award

- Robbie's Confectionary
- Accru

silver award

- Eye See Personalised Tours
- Zoodoo Wildlife Park
- Craig Howard Heritage Furniture
- Bennett's Furniture and Bedding

bronze award

- Woofer's Dog Grooming
- RACT Rosny
- Howrah Pharmacy
- Cornwall Cottage Bed & Breakfast

service awards

retail with self service

- ABC Shop Eastlands
- Strandbags Eastlands (highly commended)

retail with personal service

- Custom Curtains & More
- Geoff Noar Pharmacy (highly commended)

personal and professional service

- Bendigo Bank Rosny Branch
- Tasmanian Animal Hospital Bellerive (highly commended)

food and dining service

- Wursthau Pty Ltd
- Horse Shoe Inn (highly commended)

environmental service award

- Veolia Environmental Services

chairman's awards

- Heather Chong (Qew Orchards)
- Bill Casimaty (StrathAyr Turf Systems)

Sports Administration Award

- Brent Palfreyman

special thanks to our sponsors



Shoreline



weathering the storm

managing your business in a stormy economy

The world changed in October 2008, have you changed your business practices as well?

If you plan to carry on doing things in the same way in 2009, you will be in for a shock. Every business will need to adapt to the new economy we all find ourselves in.

The consumer is bound to "cocoon". With less money in their wallet or purse they will spend less. They will still shop, but will be less adventurous and that impulse spend is going to shrink. All retailers are going to have to work harder to get the purse to open. In the short term a sale may work, but it will not be a long term strategy to keep the purse open.

so, what are you going to do?

Every business owner and manager should be asking three key questions of themselves and their business.

- What should they keep doing?
- What should they stop doing?
- What should they start doing?

what should you keep doing?

You already have customers and the most important thing to do is to keep those customers. The most cost effective way of growing your business is to keep your existing customers happy. I have already come across one retailer who has told me that they are cutting back (in fact eliminating) their training budget. They are cutting costs.

They have also told me that the average sale per customer has also gone down since they stopped training their team.

Now, they are putting it down to the economy, maybe it is a factor, but the last thing I would be doing is stopping the training program.

I accept the "old timers" should maintain standards

of customer service, but new guys will be facing the customer with less skills and no understanding of your customer culture. According to research, in the situation it can take up to two years to lose a customer, but it only needs your competition to carry on training their team and that process could be speeded up.

what should you stop doing?

If the above business had told me it had stopped using "interruption" marketing in newspapers, radio, billboards etc to get brand new customers, then I could agree that was a logical decision.

When the impulse spend shrinks, it gets a lot more expensive and difficult to attract a brand new customer. The conversion rate to get that new customer may not be cost effective. But, how many businesses will reduce the training budget and increase the interruption marketing. They plan to yell louder to an audience who is not listening.

what should you start doing?

The best marketing strategy you can invest in is permission marketing. Getting your existing customers to come in more often and to refer you to a friend.

If you're not investing in referral or permission marketing then the present economic climate is a time to start. You are marketing to somebody who knows you and like what you do. They are friendly to you and your business and want to see you weather the storm. The key is to ask them how they can help and how they would like to receive information from you. If you just bombard them without asking them, you are abusing the trust that has been built up between you and the consumer.

It may be time to start up a focus group with your customers, if you haven't already done so. *cont. overleaf*

UPCOMING EVENTS 2009

March

Business Enterprise Dinner

Annual Film Evening Village Cinema Eastlands

April

Women in Business Dinner



You are welcome to become a member of Business East Inc. The annual fee is currently \$77-00. This membership enables you to meet with other members at networking functions and entitles you to certain discounts offered by a number of business houses.

what's your action plan?

If you haven't considered the following, I would encourage you to do so.

1. *Employ a mystery shopper organisation to ensure you are maintaining a high level of customer service.*
2. *Increase the budget in effective team customer service training.*
3. *Introduce an empowerment policy so that your team have the confidence and support to excel in customer service.*
4. *Reduce your Interruption Marketing budget.*
5. *Increase your referral marketing budget.*
6. *Work on building the database of your existing customers.*
7. *Introduce a "bring a friend" campaign with existing customers.*
8. *Introduce surprise "customer perks" to keep customers coming back.*
9. *Keep the team in the picture with the average sale per customer.*
10. *Reward the team when they exceed set targets.*

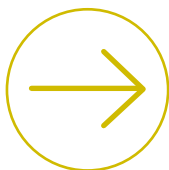
Finally, don't ignore what's happening in the world, keep in touch with the economic global journey, but tailor your business accordingly and keep positive.

weathering the storm

Maintain market share and profits when the global news forecasts difficult times ahead for all businesses can be a daunting thought.

The key is to change your retail thinking strategy, if you think the same way as you did last year; the chances are you will drown.

"PROVIDING TOP CLASS SERVICE WILL GO A LONG WAY TOWARDS WEATHERING THE STORM"



Business East Inc. continues to provide "Free and Confidential" premium small business guidance and advice to potential and existing businesses. **For further information please contact:** John Beard or Tracey Jordan.

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