

TAXTALK



Common myths a trap for newcomers

Running a business can be challenging, and dealing with taxes can add to the complexity.

Here are some common myths that often confuse new entrepreneurs.

Myth #1: Taking less out means less tax

While the money you take out is considered income, it's not your taxable income. Taxes are based on your business profit, which is your sales minus your expenses.

Myth #2: Higher expenses equal lower taxes

It might seem like spending more reduces your tax bill, but Inland Revenue has specific rules about what counts as a deductible expense.

- **Advance purchases:** Buying lots of stock isn't an immediate expense. Inland Revenue sees it as an asset (money in a different form) until you sell it. The value of unsold stock reduces your claimable stock expense.

- **Car depreciation:** Cars are considered to have a multi-year lifespan, so the expense is spread out over time through depreciation, not all at once in the year of purchase.

Myth #3: You have to borrow personally for business loans secured by your home

While banks often prefer using homes as loan security, they can still lend directly to your company. The interest rate might be higher for a company loan, but the interest is tax-deductible.

If you borrow personally but the money is for your company, you can still claim a deduction for the interest. However, this requires legal documentation and extra administration. It's best to consult with us before borrowing in your own name for business purposes.

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Reviving Customer Connections: Strategies for Reactivating Old Customers

Looking for a structured approach to reactivating old customers and encouraging them to make purchases from your business again? Here are some key strategies you can consider:

- **Prepare beforehand:** Before making the call, review the customer's purchase history and any previous interactions with your business. This will help you tailor your conversation and offers to their specific needs and preferences.
- **Personalize the Call:** Address the customer by their name and reference any previous purchases or interactions you've had with them. This personal touch can help rekindle their interest in your products or services.
- **Highlight Value:** Clearly communicate the value of your products or services and how they can benefit the customer. Focus on how your offerings can solve their problems or meet their needs.
- **Offer Incentives:** Provide the customer with exclusive discounts, promotions, or special offers to entice them to make a purchase. Make them feel valued by providing them with incentives that are not available to new customers.
- **Listen and Respond:** Be attentive to the customer's needs and feedback during the call. Address any concerns they may have and tailor your pitch accordingly to address their specific interest.

Follow Up:

After the call, follow up with the customer the thank them for their time and reiterate any offers or information discussed during the conversation. This shows that you value their business and are committed to providing excellent customer service.

By following these tips, you can effectively engage with old customers over the phone or by email and increase the likelihood of generating more sales from them.



Telephone script: Your answer to what to say

When calling old customers to generate more sales, it's important to have a structured telephone script to guide the conversation. Here is a sample script you can use:

Introduction:



"Hello [Customer's Name], this is [Your Name] from [Your Company]. I hope you're doing well. I'm reaching out to reconnect with you and see how we can assist you with any of your needs."

Remind them of past interactions:

"I wanted to touch base with you as a valued customer of ours. It's been some time since we last connected, and I wanted to see how you've been and if there's anything we can help you with."

Offer exclusive deals or promotions: "

We have some exciting promotions and exclusive offers available for our returning customers. Would you be interested in hearing more about how you can benefit from these special deals?"

This link has excellent notes and video on email scripts: <https://blog.aspiration.marketing/en/email-templates-to-reconnect-with-old-clients>

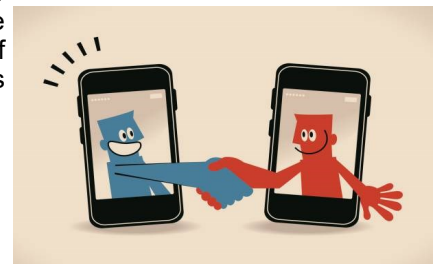
Ask for feedback:

"We value your opinion and would love to hear about your past experiences with our products/services. Your feedback is important to us and helps us improve our offerings."

Close the call:

Thank you for taking the time to speak with me today. If you have any questions or need assistance, please don't hesitate to reach out. We appreciate your continued support and look forward to serving you again."

By following this structured telephone script, you can effectively engage with old customers, showcase the value of your products or services, and increase the likelihood of generating more sales from them.



Court Cases for your Interest ...

Deadly roller door collapse was preventable

A substandard roller door installation has caught up with an Auckland business, in what WorkSafe says is a tragic consequence of poor workmanship. It involves a powered roller grille door which fell from its fixings and killed a pastor in Glendene in January 2022. The 44-year-old had been trying to close the door by pulling the hand chain, as the motor was not working at the time.

A WorkSafe investigation found the 273-kilogram roller was fixed through a piece of plywood and gib board with coach screws that were too short to properly hold up the weight.

The installer failed to ensure that the appropriate type of fastener was used to secure the roller grille door. More consideration should have been given to the type and length of screw being used, given the presence of the plywood. The length of the screws at one end of the roller door failed to comply with the Building Code, due to the thinness of the plywood.

“Installation is core business for this company and it should have identified that the roller grille door was not installed safely or in compliance with the Building Code,” says WorkSafe’s area investigation manager, Steve Kelly.

A registration form signed on behalf of the company noted that the roller had been installed in the church and that checks had been completed, including that the door was attached to a solid fixing. “This case is a stark example of how serious the consequences of poor workmanship can be. If you contribute to unsafe work you will be held to account. Businesses have a responsibility to consider the health and safety of the people who will ultimately be reliant on their product when installing, building, or commissioning structures for use at work,” says Steve Kelly.

The company was prosecuted under the Health and Safety in Employment Act 1992, the legislation in place at the time of the March 2009 installation. A similar failure occurring today would be subject to much tougher penalties under the Health and Safety at Work Act 2015. A fine of \$41,250 was imposed, and reparations of \$162,000 ordered.

The company was charged under Sections 18A(3) and 50(1)(a) of the Health and Safety in Employment Act 1992. Being a person who supplied plant, namely a powered roller grille door, to another person to be used in a place of work, who agreed to install the plant, having a duty to take all practicable steps to install the plant so that it was safe for its intended use for workers, including the pastor, did fail to comply with that duty.

Landmark sentencing puts safety advisors on notice

A traumatic brain injury suffered by a Taranaki worker has led to the first sentencing of a consultancy under the Health and Safety at Work Act 2015. A company of consultants gave paid health and safety advice to the employer of a company whose worker was knocked unconscious by the bucket of an agricultural vehicle in August 2020. He suffered two brain bleeds, permanent loss of taste and smell, and was diagnosed with post-traumatic stress disorder.

The consulting company had identified a “desperate need” for a traffic management plan and had undertaken to provide one, but hadn’t done so by the time of the collision six months later. A WorkSafe investigation found no steps were taken to manage the risks of uncontrolled traffic, aside from a small sign about speed at the entrance.

“In this case, the consultants offered active and ongoing management of health and safety risks, but did not deliver work they said they would,” says WorkSafe’s area investigation manager, Paul West. “One-way systems, clear separation between vehicles and people, designated crossing points, and speed bumps are measures which could have avoided the incident and the very serious consequences the company still lives with.”

WorkSafe’s role is to influence businesses and organisations to manage their health and safety risks to keep workers safe. If they do not manage these risks, we hold them responsible. “Businesses paying for specialist health and safety advice need to know both they and their consultants have responsibilities under the law. You need the right consultant helping in the right way to get the right outcomes for workers,” says Paul West.



PUBLIC SOLUTIONS

Make a will to ensure your wishes are fulfilled

Mrs X died intestate (without a will). She was the mother of one child and her husband survived her. She and her husband owned a rental property, their home and various other assets. What happens to her share of all this? It’s likely the child will get a big chunk of the estate, whether this was what Mrs X wanted or not.

We strongly recommend you make a will so your assets are distributed according to your wishes.

Remember too, if you remarry you will need to make a new will.

A will is not a do-it-yourself job.

To get it right, get your solicitor involved.



OFFICE SOLUTIONS

Relieve the cramp with shared space

When your home office starts feeling cramped, you might think about renting a separate space.

This can be pricey and risky if you’re stuck with a lease that doesn’t work out. One solution is shared office space, or co-working. Most towns and cities have these spots where you rent just what you need.

Sometime it’s a simple desk and internet access in a cubicle where you can work in peace. Other places offer private offices, meeting rooms and communal kitchens. Some spaces are more open and collaborative, perfect for groups of designers or IT geeks.

The perks include lower costs, flexible leases, keeping your work and home life separate, the chance to socialise instead of talking to your cat all day, and shared expenses for things like internet and power.

Planning critical for survival

Running a small business can be tough, especially when it comes to finding time to plan.

Planning for disasters can be even tougher. But planning is like plotting your course on a map – it helps you steer clear of panic when things go haywire.

It's crucial to have an emergency plan for stuff like natural disasters, cyberattacks, fires, or major financial hits. This plan can be a lifesaver when chaos strikes.

Equally important is having a business continuity plan (BCP). A BCP is your playbook for getting your business back on track after a crisis. The goal is to keep the wheels turning so you can keep your business afloat.

Imagine a flood wipes out all your stock, machinery, and office space. A solid BCP should answer questions like:

- How quickly can you restock from your usual suppliers or find new ones?
- Can you buy stock from your competitors to keep things going?
- How fast can you clean up or find a new workspace?
- Can you get your suppliers to step in and serve your customers directly?

- Are you and your staff able to work remotely?
- Can you access important documents and systems, like from the cloud?
- Do you have a manual to guide your team on what to do during a crisis?

A critical factor in your BCP should also be business interruption insurance. It could be the difference between shuttering your business or surviving for another day. When buying a policy, consider:

Cover for wages

Cover for financial loss

How much time your business might be interrupted.

Having a robust BCP isn't just good sense, it's good for business. Potential buyers will see you're serious about your business, and your staff will feel happier knowing their jobs are safer.

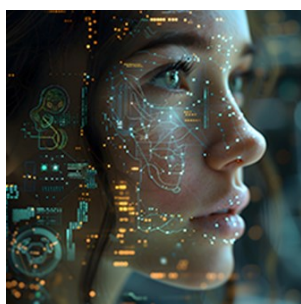


Quick Quote

Any target attacked with the right actions in the right amounts with persistence is attainable.
- Zig Ziglar

Brainstorm with the assistance of AI

More and more small businesses are jumping on the artificial intelligence (AI) bandwagon to save time and streamline their operations.



AI can bring fresh and creative problem-solving techniques to the table, offering up potential solutions based on the info it's given. One cool way businesses are using AI is by tapping into tools like ChatGPT

to kick their brainstorming sessions up a notch.

Picture this – you're brainstorming how to market a new product, let's say a fancy new carpet cleaning liquid. With a bit of input, AI can churn out ideas or collaborate with your team to polish up your own thoughts on how best to market your new cleaner.

Tools like ChatGPT can help tweak ideas, offer feedback, and suggest ways to make your ideas even better. It's like having a supercharged brainstorming buddy right at your fingertips!

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We care about your Business Prosperity

