

**NEWSLETTER – FEBRUARY 2010**

Welcome to 2010. We trust your Christmas festivities were happy and we look forward to a rewarding year ahead with you.

**GLOBE BD STAFF UPDATE.....**

We have said goodbye to Carly Banner, who was working here on a casual basis whilst completing her university degree in physiotherapy. Carly has successfully entered into her chosen field and we wish her the very best of luck.

We congratulate Martin Feng who recently travelled to China where he was married in an extravagant reception with friends and relatives. Martin will be returning to work on 22<sup>nd</sup> February.

**GLOBE BD – IBA REGISTERED.....**

Globe BD is proud to announce that in December our proposal for registration with Indigenous business Australia. Globe BD looks forward to working with and assisting Indigenous business in the months and years to come. We believe that we have the varied background and diverse skills to help business begin and consequently grow and succeed. Expect to hear more details on this exciting opportunity in following newsletters.



**SEMINARS.....**



GlobeBD is proud to present  
**A Special Event for our Special Clients**  
**"A Culture of Trust"**

Listen to **Damien Cole** speak about his unique culture within the Damien Cole Group



**A culture of complete Trust between:**  
**Management and Workers**  
**Management and Clients**  
**Management and Suppliers**  
**Ambience within the Workplace**

Damien Cole is the Founder/Managing Director of Damien Cole Group, which has sustained as a family business for 44 years. It is his philosophy, be it right or wrong to **"grow our own"** people. He believes that a business's greatest assets are in human assets, and the improvement of their value is both a matter of material advantage and a moral obligation.

Damien has both *theoretical* and *practical* experience with Small to Medium Enterprises and would hope to share some of this learning and experiences with other people in the Business Community.

**TUESDAY 2<sup>nd</sup> MARCH 2010**  
**5:00pm – 7:00pm**  
**Globe BD Seminar Room**  
**UNIT 6/78 CATALANO CIRCUIT**  
**CANNING VALE**  
**\$49.00 inc GST**

Light Refreshments provided

For bookings please contact our office

TRUSTEES – are you aware of your responsibilities.....  
SMSF SEMINAR

This Seminar will consist of:

- ◆ Trustee Responsibilities
- ◆ Investment Restrictions
- ◆ Taxation Issues
- ◆ Self Managed Superannuation Funds & Estate Planning
- ◆ Update on Markets

Presenters:

- David Emby-Certified Financial Planner & Authorised Representative WB Financial Management/GlobeBD Financial Planning
- Chris Hofman-Financial Advisor & Authorised Representative WB Financial Management/GlobeBD Financial Planning
- Ian Conroy-Chartered Accountant & Partner GlobeBD
- Terence Lau-Accountant & Auditor GlobeBD

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#### 4 PRICING MISTAKES TO AVOID

In our work we have found that the reviewing of pricing methods and strategies provide the quickest improvement to the profitability of a business. Many businesses are unknowingly giving away profit.

Price can be adjusted immediately and the effect flows straight through to your bottom line. For one of our clients a simple pricing change generated an extra \$80,000 in profits in just three months and there was no reaction from their customers.

#### **Mistake 1: Price Is Too Cost Orientated.**

This focuses on knowing your costs and then connecting these with your price. It is equally important to understand the value you are offering and the dynamics of your market.

Customers will pay for perceived value. There should be strong links between this and your selling price. The stronger the perception of value you create in the minds of your customers the greater the potential to increase your price. What makes your firm a better business to deal with compared to your competitors?

#### **Mistake 2: Price Is Not Revised Often Enough To Reflect Market Changes.**

Changes in availability or price of competitor products, availability of substitutes, sudden changes in demand, are all good reasons to review your price. Many businesses absorbed the GST because they had a bigger problem with their price than their customer. When the price is too low you lose profit. You need to identify the key indicators that have influence on your price and regularly monitor these.

#### **Mistake 3: Failing To Take Into Account Other Marketing Mix Elements.**

There needs to be a relationship between the perceived value of your product or service and the price you charge for it. The product design, packaging and function should all send out a strong signal that matches the price. If your image suggests high quality, customers will pay more than if your image suggests low quality. Perfume is a classic example: the more elaborate the packaging, you can be sure, the higher will be the price.

## Mistake 4: Charging The Same Price In All Market Segments.

This is linked to failing to understand the different market segments you serve. Some segments will place a much higher value on your product or service than others, their perception of value will be determined by their need for convenience, what the product or service actually provides for them, or how important this is. Where the perception of value is high you can charge higher prices.

**Take the Next Step:** Review your pricing strategies. If you feel you are too close to your business then invite a firm such as ours to take an independent review of your pricing system. We will help you to examine your pricing, customer relationship management strategies, objectives, and key performance indicators.

## WHAT GLOBE BD CAN DO FOR YOU.....

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GlobeBD is interested in building relationships with our clients and the community. We promise to:

- Be open, transparent and accountable in our dealings with you
- Be professional, responsive and fair, taking into account your circumstances, business and personal
- try to make it as easy as possible for you to comply with your tax obligations
- help you to comply by giving you advice and information you can rely on
- try to reduce the cost to you of complying

## TEAM WORK.....

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Coming together is a Beginning  
Keeping together is Progress  
Working together is a Success



## FIXED PRICE AGREEMENTS.....

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Look out for our next Newsletter with information regarding our Fixed Price Agreements. You are welcome to contact us at any time. We will be happy to talk to you.

## CONTACT INFORMATION.....

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