trialbalance

IN THIS ISSUE

SPRING CLEANING INEFFICIENCIES & CLUTTER

As the seasons change, it's a natural prompt to take stock, not just at home, but in the business too. While spring cleaning is traditionally associated with home clear-outs and refreshes, the same principle applies just as well to the parts of a business that quietly accumulate clutter or inefficiency over time.

Every business builds up inefficiencies. Unused subscriptions, outdated processes, aging stock, duplicate systems, reports no one reads anymore. Individually, these seem minor. Collectively, they draw on time, cash flow, and focus.

A business spring clean isn't about doing more. It's about creating room to perform better.

Start with recurring costs. Review every subscription and expense line and ask: would I commit to this again today, at this price? If not, it's worth renegotiating, replacing, or cutting altogether.

Then look at systems and processes. Tasks that feel repetitive, frustrating, or overly manual are usually the ones worth reviewing first. Often, meaningful efficiency gains come from small process fixes rather than major strategic overhauls, particularly where automation or better use of existing software can remove manual handling.

Review the balance sheet. Chase outstanding debtors, write off obsolete stock, reconcile asset registers, and close out dormant accounts. A cleaner balance sheet frequently brings both risks and opportunities into sharper focus.

Finally, revisit your goals. The plan set in January isn't necessarily the right plan for September. Markets shift, teams evolve, expenses shift and customer needs change. A short check-in can help confirm the business, and the team, is still focused on what matters most.

Ultimately, business spring cleaning is about capacity, for growth, for sharper decisions, and for opportunities that might otherwise go unnoticed.

> "A business spring clean isn't about doing more. It's about creating room to perform better."

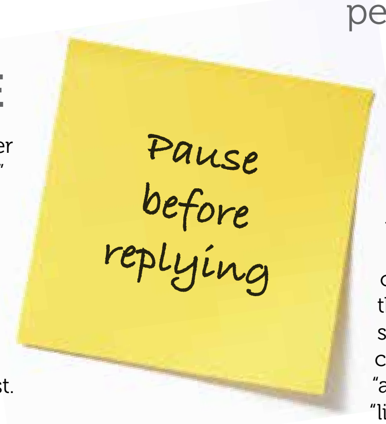
TAX CALENDAR

28 September 2026
Second instalment of 2027 provisional tax (December balance dates).

28 October 2026
First instalment of 2027 provisional tax for those with March balance dates who pay GST twice a year

28 November 2026
First instalment of 2027 provisional tax [June balance dates]

THE POST-IT NOTE



A small yellow Post-it note on a computer screen once said: "Pause before replying."

That was all.

No long strategy. No complicated framework. Just a simple reminder placed exactly where it was needed.

And it worked.

Every time a rushed email arrived or a difficult message appeared, the note created a tiny gap. Breathe first. Think first. Choose the tone. Then reply.

Sometimes the most powerful changes are not dramatic. They are simple prompts that help us return to the person we want to be.

In business, a small reminder can protect relationships, improve decisions, and stop us from reacting when we would rather respond.

- Action step: Write one reminder you need this week and put it somewhere visible. It could be "slow down," "ask first," "follow up," "listen," or "one thing at a time."

We all need small anchors.

The right reminder at the right moment can change the whole direction of a day.

BUSINESS GROWTH ISN'T AN ACCIDENT:

FIVE HABITS OF GROWING COMPANIES

Every business owner wants growth, but growth rarely happens by chance. When we look at businesses that consistently improve their profitability and value, the difference often comes down to a handful of disciplined habits rather than a single breakthrough idea.

The good news is that these habits are within reach for businesses of any size.

1. They know their numbers

Successful businesses don't wait until year-end to understand how they are performing. They regularly monitor key measures such as gross margin, cash flow, debtor days, and profitability by product or service line.

Many businesses are surprised to discover that their busiest customers are not necessarily their most profitable customers.

A simple monthly review of performance can help identify issues early and highlight opportunities that might otherwise be missed.

2. They focus on cash, not just profit

Growth can put pressure on cash flow. Winning new customers, carrying more stock, hiring staff, or investing in equipment all require funding.

Businesses that grow successfully understand the difference between profit and cash. They actively manage debtor collections, review stock levels, and forecast future cash requirements.

A growing business can still run into trouble if cash is not available when it is needed.

3. They invest in systems and technology

Many business owners reach a point where growth becomes limited by inefficient processes. Staff spend time on manual administration, re-entering information, or working around outdated systems.

Investing in technology is no longer just about reducing costs. It can improve customer service, reduce errors, provide better business information, and free up valuable time for higher-value activities.

The right technology should help the business scale without requiring a proportional increase in overhead costs.

4. They build the team before they need it

One of the most common barriers to growth is capacity. Business owners often wait until workloads become overwhelming before recruiting or developing staff.

Growing businesses take a longer-term view. They identify future capability requirements and invest in training, leadership development, and recruitment ahead of demand where possible.

A strong team allows the business owner to focus on strategy, customer relationships, and growth opportunities rather than constantly dealing with operational issues.

5. They set aside time to work on the business

Many owners spend most of their time working in the business rather than on it. Day-to-day demands can easily crowd out planning and strategic thinking.

The most successful businesses schedule regular time to step back and review:

- Where growth is coming from
- Which customers are most profitable
- Future investment requirements
- Emerging risks and opportunities
- Long-term business goals

Even a quarterly strategic review can significantly improve decision-making.

The bottom line

Business growth is rarely the result of luck. It is usually the outcome of consistent decisions, disciplined planning, and a willingness to adapt.

As we move through 2026 and into 2027, business conditions remain challenging for many New Zealand companies. Those that understand their numbers, manage cash carefully, invest in capability, and plan proactively will be best positioned to take advantage of opportunities as they arise.

A useful question to ask is: What is the one change we could make over the next 12 months that would have the greatest impact on the future value of our business?

Often, the answer provides the starting point for sustainable growth.

YOUR BEST CUSTOMER IS WORTH PROTECTING

Most businesses spend a lot of time trying to find new customers. But the easiest sales often come from people who already know and trust you.

Research consistently shows that retaining an existing customer is generally far less expensive than acquiring a new one. Existing customers are more likely to buy again, spend more over time, and recommend your business to others.

One local tradesperson recently introduced a simple follow-up system. Every completed job received a thank-you email, followed three months later by a friendly check-in asking whether everything was still working well.

The result wasn't just positive feedback. Previous customers began booking additional work and referring neighbours and family members.

Customer loyalty doesn't require expensive marketing campaigns. Often it's built through small, consistent actions: responding promptly, communicating clearly, delivering on promises, and staying in touch after the sale.

Think about your own customer database. When was the last time you contacted your existing clients without trying to sell something?

Sharing helpful tips, industry updates or seasonal reminders keeps your business front of mind.

Your competitors are always looking for your customers, so a little attention today can prevent them looking elsewhere tomorrow.

THE BUSINESS THAT RUNS WITHOUT YOU

Could your business operate for two weeks without you? For many owners, the honest answer is no.

That's understandable. Most small businesses are built around the owner's knowledge, relationships and decision-making.

However, this dependence creates risk. Illness, family emergencies, much-needed holiday time, or unexpected opportunities can quickly expose weaknesses.

Businesses become more valuable – and less stressful to own – when systems replace memory.

If you want to step back from the daily tasks that your business depends on, start by documenting those tasks. Create simple checklists for opening and closing processes, invoicing, customer enquiries and ordering stock. Store important passwords securely and ensure key staff understand the essential work.

Cross-training employees also reduces reliance on any one individual.

These improvements don't just prepare for emergencies. They save time, improve consistency and make hiring new staff much easier.

If you ever plan to sell your business, documented systems can also increase its value. Buyers are purchasing a business that works, not just a job that depends on the owner.

To be clear, building systems isn't about making yourself unnecessary. It's about giving yourself better options.

SMALL BUDGET, BIG IMPACT

FREE MARKETING TIPS

You do not need a huge budget to get your business noticed. Some of the most powerful marketing tools are free, and they are sitting right in front of you.

Here are a few simple ideas you can start using today.

Talk to your happy customers
Word of mouth is still the best advertising there is. Ask your satisfied clients for a quick review or a short testimonial. A genuine recommendation carries far more weight than any paid ad, and it costs you nothing but a friendly conversation (Pareto's principle).

Show up on social media, consistently
You do not need to post every day. Pick one or two platforms where your customers already spend their time, and share useful, honest content each week. Answer questions, celebrate wins, and let your personality shine through. People buy from people they like and trust.

Make the most of Google
Set up a free Google Business Profile so customers can find you, see your hours, and read your reviews. It takes minutes to create and puts you on the map, quite literally, when people search locally.

Give a little away
Share a helpful tip, a short guide, or a quick how to. When you give value for free, people remember you and come back when they are ready to buy.

Team up with others Partner with a business that complements yours and cross promote. You reach a fresh audience, they reach yours, and everyone wins without spending a cent.

Keep in touch
A simple email or newsletter to your existing customers keeps you front of mind. Your current clients are your warmest leads, so nurture those relationships.

The secret to marketing on a shoestring is being genuine, being helpful, and being consistent. Small, steady efforts add up to real results over time. 'Givers Gain' springs to mind here.

SECOND-HAND GOODS

Inland Revenue has more clearly defined the words "second-hand" and "paid".

"Second-hand" is fairly obvious, but you should note that for tax purposes the goods must have been bought in New Zealand.

Payment is of particular significance because it doesn't matter if a person making the claim is on a payments or invoice basis for GST, they have to have actually paid for the goods to claim the whole amount of GST.

If you buy an asset and put down a deposit, the deposit is payment, but the balance has not yet been paid so you can't claim second-hand goods GST input tax on this amount.

But if you pay for the goods with arranged finance, you have then made payment and can claim the GST. Your loan repayments don't contain GST.

Sometimes, the deposit will be made in one GST period, but the finance won't be completed until the next GST period. If this happens, you have to delay your claim for GST on the amount financed until the second GST period.

Special rules apply where second-hand goods are bought from an associated person – such as your company buying a car owned by you.

There are also special rules about leasing.

ARTIFICIAL INTELLIGENCE (AI)

New Zealand Small to Medium Sized Enterprises (SME's) Are Seeing Some Real Returns

Artificial intelligence (AI) seems to be everywhere right now. From ChatGPT and Microsoft Copilot to industry-specific tools, business owners are being told that AI will transform the way they work.

The challenge is separating the hype from reality (uncluttering all of the information overload).

For most New Zealand SMEs, the real opportunity is not replacing people or building complex AI systems. It's finding practical ways to save time, improve productivity, and free up resources to focus on growing the business.

New Zealand's approach to AI has largely been to encourage adoption while relying on existing laws and regulations, rather than creating a new layer of AI-specific compliance requirements. This has made it easier for many businesses to start experimenting with AI tools and identify where they can add value.

The businesses seeing the greatest returns are typically using AI in simple, targeted ways.

For example, AI can help draft marketing content, create social media posts, summarise meetings, prepare first drafts of reports, answer common customer queries, analyse data, and automate repetitive administrative tasks. These are often activities that consume hours each week but contribute little to business growth.

A business owner who saves just five hours a week on administration, - gains over 250 additional hours a year. That's time that can be redirected into sales, customer relationships, strategic planning, or developing new opportunities.

AI can also assist with decision-making. Many modern accounting and business systems now use AI to identify trends, forecast cash flow, monitor inventory, and highlight unusual transactions. Rather than replacing judgement, AI can provide faster access to information that helps owners make better decisions.

Of course, technology alone does not create growth.

The businesses benefiting most from AI are those with clear processes and a willingness to adapt. Introducing AI into a chaotic process simply makes the chaos happen faster. Before implementing new tools, it is worth asking:

- Which tasks consume the most time each week?
- Which activities are repetitive and rule-based?
- Where are staff spending time on low-value administration?
- What information would help us make better decisions more quickly?

Starting small is often the best approach. Choose one process, test one tool, and measure the results. If it saves time or improves outcomes, expand from there.

Business owners should also remain mindful of privacy, confidentiality, and data security when using AI tools. Information entered into public AI platforms may be handled differently from data stored within secure business systems. Understanding how a tool manages data is just as important as understanding what it can do.

The real question is not whether AI will affect your business as it almost certainly will.

The better question is whether you will use it to create a competitive advantage.

Like many technologies before it, AI will not transform every business overnight. However, businesses that learn how to use it effectively may find they can achieve more with the same resources, respond faster to customers, and create capacity for growth without significantly increasing costs.

For many SMEs, that's where the real opportunity lies.

Business Development Question: If AI could eliminate one task that frustrates you or your team every day, what would it be, and how would you use the time saved to grow the business?

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Changes in Particulars

Please remember to let us know of any changes in:
• Physical address • E-mail address • Phone and/or fax numbers
• Shareholdings • Directorships • Trustees
Or anything else that may be relevant.