

Seven habits for success

AMERICAN management consultant Stephen Covey has written a best-seller called *The Seven Habits of Highly Effective People*. We think his ideas are important for running a successful business and private life, so we have decided to share them with you through our newsletters.

The seven habits can be divided into two groups. The first four habits are all about you. The other three relate to your relationship with other people. We will talk about those in our next newsletter.

Here are the first four habits:

- *Be proactive*
- *Put first things first*
- *Start with the end in mind*
- *Sharpen the saw.*

Be proactive

Covey tells us to stop imagining our lives are governed by our heredity and/or our environment. He urges us to take control. Too many people, he says, react to the will of others. To be successful you must call the shots. If you suffer from an inferiority complex you are the only one who can do something about this. You are the one who must make the changes. Take the initiative.

Put first things first

The idea is to select the most important things in your life and attend to them first. A client decided when he went into business he would allocate a maximum of 40 hours a week to his business. For him his family and his church were to come first. He will not allow the business to dominate his life. He has lived by this and he has been very successful.

Plan to do the important things in your business ahead of the less important, even if the latter are urgent. It is probably best not to make your detailed plans too long term. If you plan a year you may be tempted to coast for the first six months.

Planning for three or six months is probably better. The author also warns against planning for too short a period. For example, do not try to plan each day of the week. There will be some days when crises occur, overtake you, and you can't achieve your daily goals. It is better to set your plan for a whole week.

Start with the end in mind

Have you ever tried organising a function? The easiest way is to work backwards.

Decide what the end result has to be. Now work backwards. What is next to the end? Delivery of the food? Go backwards to sending out the invitations? Before that there is the printing and so on. Armed with this information you can set a date for the function. Planning in business is similar. Decide where you want to get to first. Visualise where you want your business to be. By having a vision, you can work out all the steps and strategies to get there.

Sharpen the saw

This is rest and recreation. It is the need to keep learning. It includes one's spiritual needs.



Conclusion

Covey's "habits" are powerful business tools. Why not memorise them and begin to live by them. Tom Peters, another business guru, has pointed out it only takes a nano-second to change your habits. It is maintaining the change which presents the challenge. For example, if sharpening the saw for you means regular reading, could you commit to setting aside some time every day or week for this?

FBT Rates to fall

THE Government has announced it proposes to make some significant changes to the Fringe Benefits Tax regime. The cost is estimated at \$10 million, which is minute in relation to the total tax take.

Here are the major changes:

1. Many of you have grizzled to us over the years about how unfair it is to charge FBT on the original cost of a car. Under the new rules you will be able to use the written down book value. The rate will be set at 36 percent instead of the current 24 percent. Depending on how the actual calculations are made, you will need to keep a second-hand car for between four and five years to benefit from this choice. If you wish to stay with the original cost basis, the rate is to be reduced from 24 percent to 20 percent.
2. The current rules for charging FBT on car parks are messy. In future FBT will apply to all car parks available for private use.
3. Any tax advantage to be gained from leasing a vehicle, rather than owning it, will disappear.
4. Currently, if an employee has permission to use a car privately, she must be home by midnight or the employer has to pay FBT for two days. In future, the employer will be able to select the 24-hour period, as long as the employee is consistent in her use of the car.
5. Interest on overdrawn current accounts in a company will be able to be calculated using a publicly available market rate, as an alternative to the current IRD-prescribed rate of interest.
6. Gifts to an employee totalling \$75 or more in any quarter are subject to FBT. This threshold will rise to \$200. The maximum quarterly total for the firm of \$450 is to be lifted to \$2000.
7. Petty adjustments for private use of a laptop or cell phone are to be abolished where these tools are used primarily for business.

The commencement date for these proposed new rules has not yet been set and they could be changed before they become law.

In Brief

Advertising

IF at first your advertisement does not bring some success, do not try again. If it is a bad advertisement then running it several times is unlikely to make it better.

Employment contracts

THE law is constantly evolving. The Government has altered the Holidays Act and considering changes to the Employment Relations Act 2000. The law develops as cases are decided by the courts. It is not worth taking an old employment contract, whiting out the name and using it for the next employee. It might well be out of date.

A cold beer wins a loyal customer

A MAN and his wife went into a North Island pub. He ordered a Speights beer. The pub didn't have any so he settled for an alternative. A week later he and his wife went into the same pub again. On seeing him, a waitress called him over and said she had ordered some Speights beer and to tell the person serving him it was in the fridge.

You may not be surprised to know this couple are now loyal customers.

E-mails

MAKE your answers brief.

Clear them as you read them. Don't leave them to be actioned later.

Contact Us

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