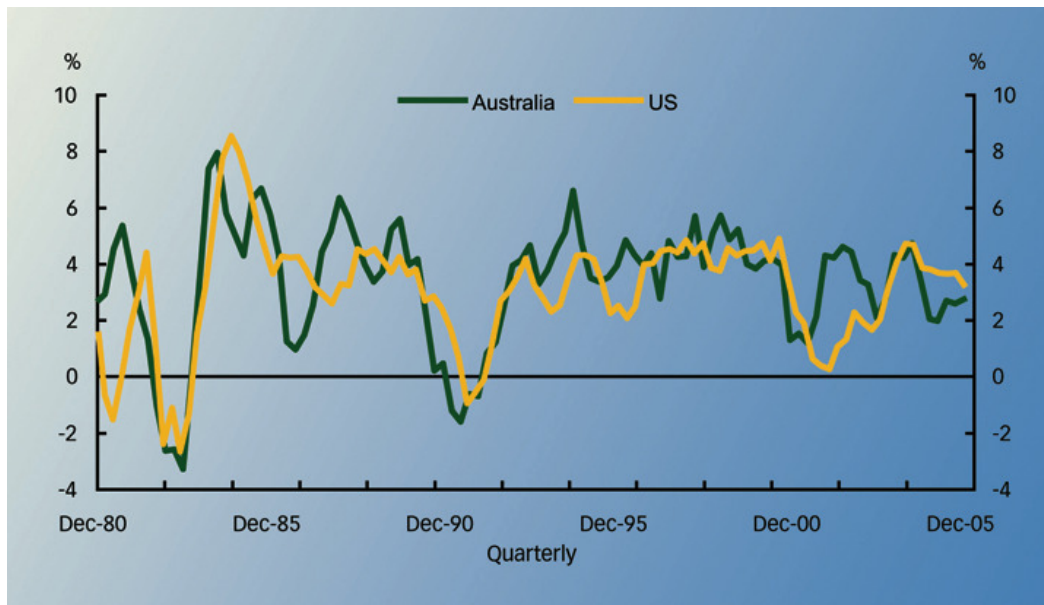


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Our Economic Future
and what SMEs can do
about it!

The old ECONOMIC relationship

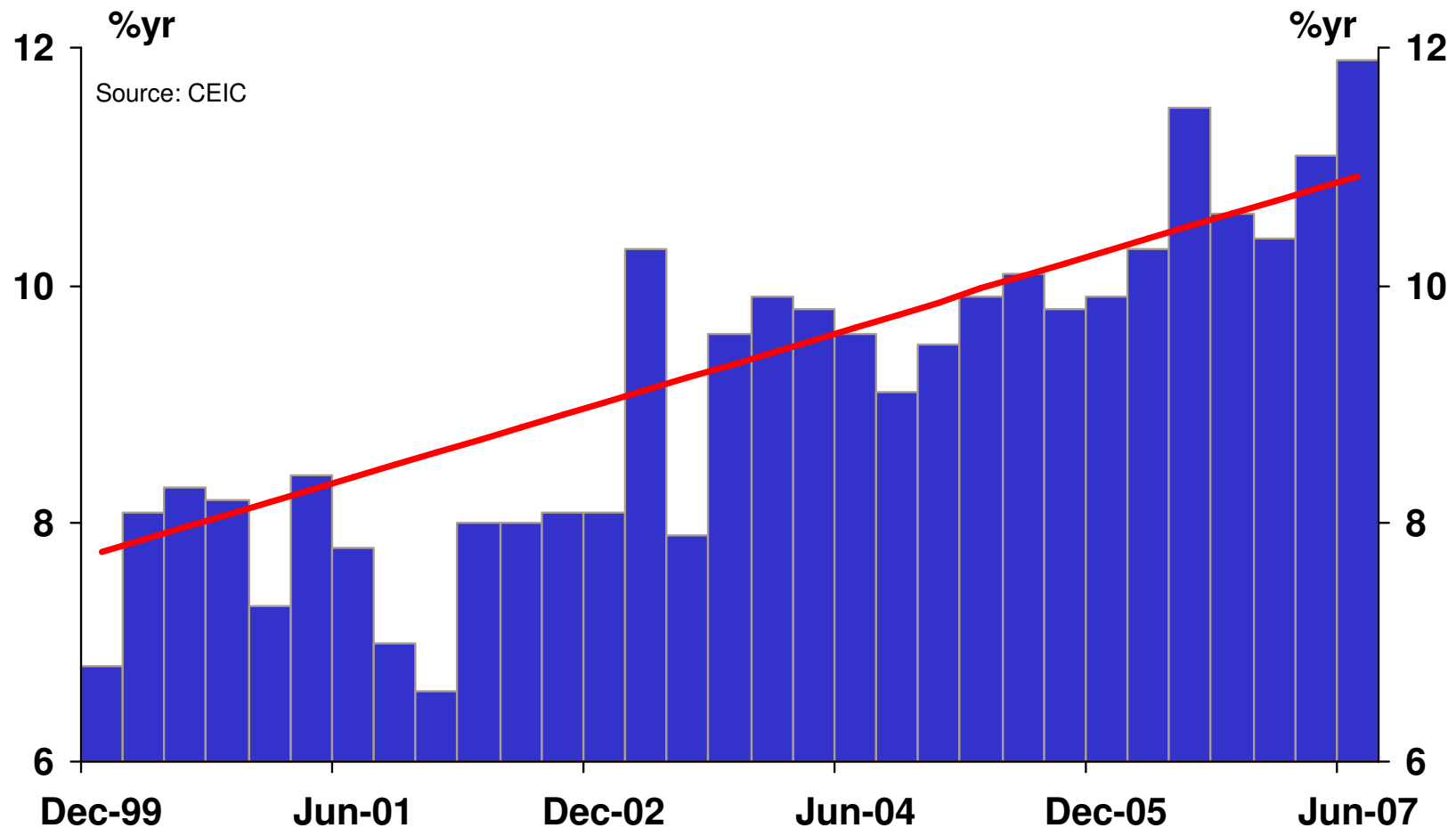


- + We have tracked the US closely
- + Lag was 6-9 months
- + Have we de-coupled?
- + Still mindful of sneezes!

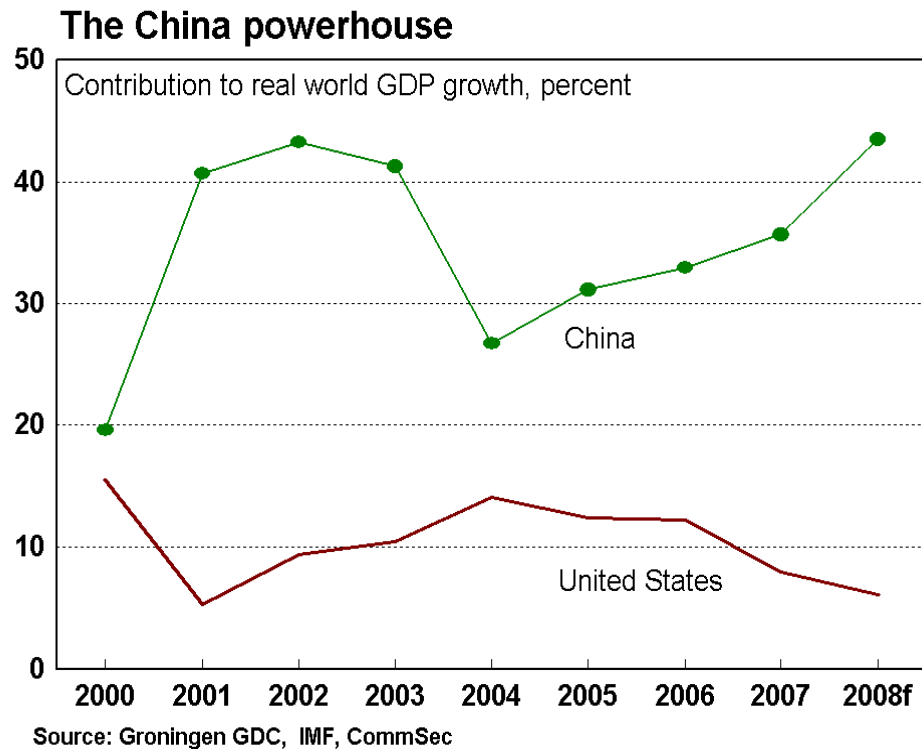
Are we well-placed?

- + A mild recession
- + Inflation battle
- + Consensus CR = 2%
- + Unemployment 6%+ '09
- + 7% in 2010
- + Budget Deficits = OK

Go you good thing - CHINA!



China is important to us!



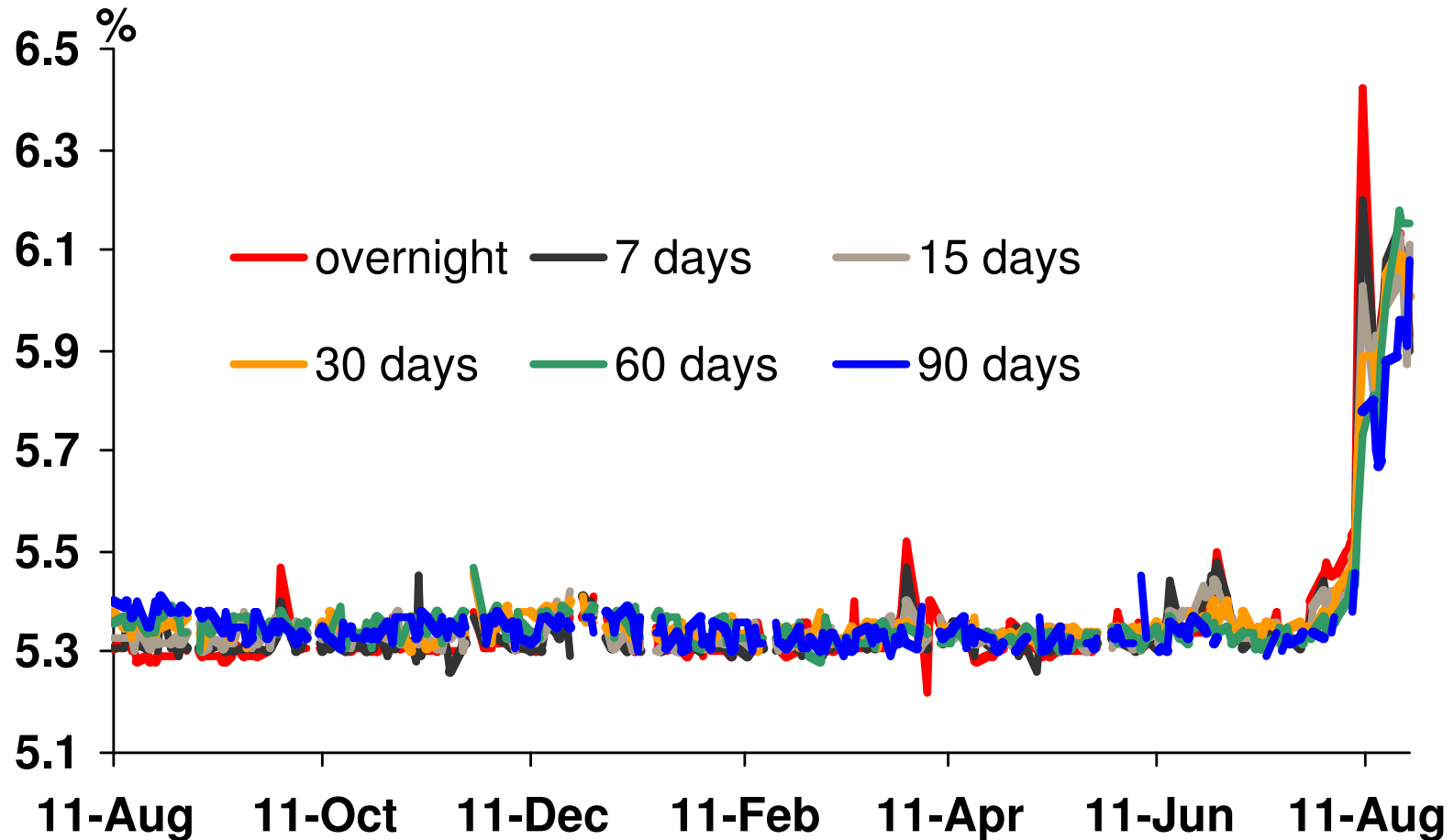
The cause of the Stock Market sell off

- + Sub prime loans
- + NINJAs
- + Financial engineering
- + Directors did not get it
- + A credit crunch
- + Death of securitization!

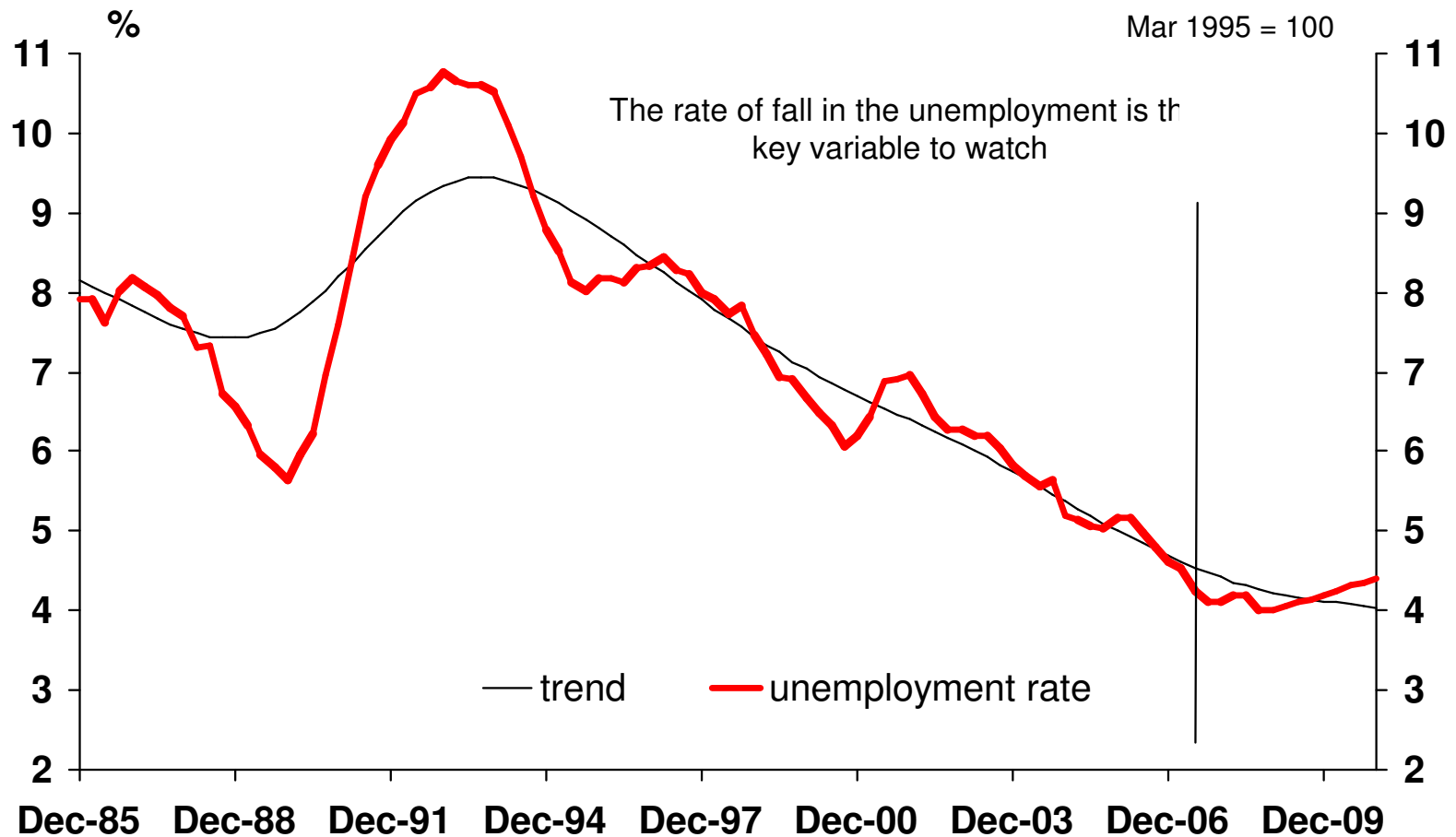
How could the bank brains stuff up?



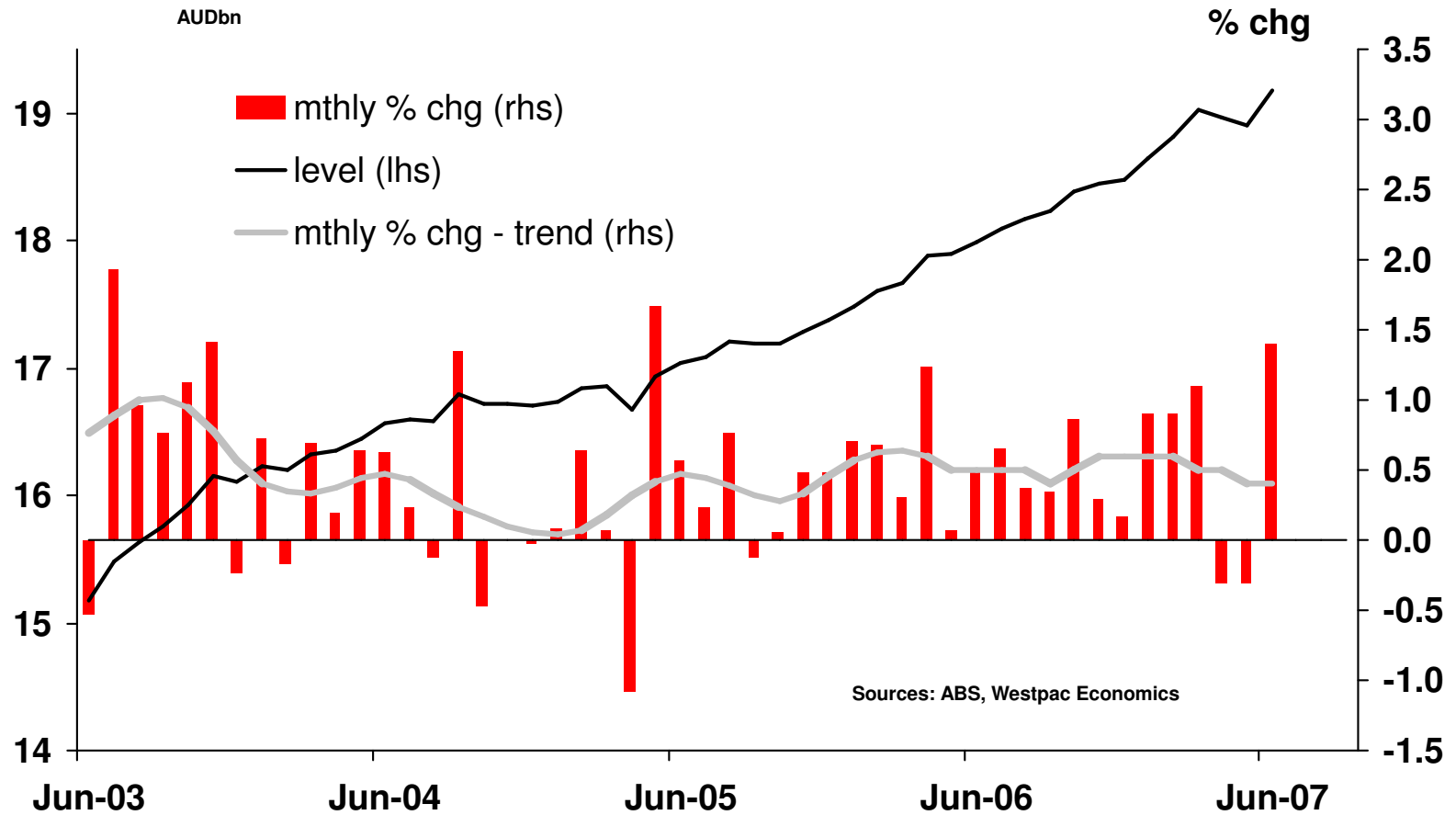
A day RAMS will never forget!



Why was the RBA raising? Too many jobs!



Another reason - excessive retail therapy



SME went negative early!

- + November Sensis Business Index: “We have never seen such a dramatic one-quarter fall in confidence in the 14 years Sensis has been tracking small business,” Christena Singh, the report’s author.
- + The Biz Confidence Indicator dropped 16 percentage points to 43. Interest rates, wages, a change of government and increased competition were cited as reasons for less confidence.
- + The Feb reading was 12!
- + Hiring & capital spending figures were positive.

The latest on SMEs

- + Trading & confidence stabilizing at low levels.
- + Weak consumer demand main reason for low biz confidence.
- + Profitability at record lows = Nov 2000 levels!
- + Govt stimulus has raised ratings 11%
- + NT highest confidence & NSW the lowest.
- + A critical quarter for SMEs
- + Hiring & investment plans give some hope

Economic crystal ball gazers

EXPERT		EG%	U%	CR%	\$	Infl%
Shane Oliver AMP	2009	-1.5	7	1.5	65	1.5
	2010	2	9	2.5	75	1.5
Craig James CommSec	2009	1.1	5.8	2.75	77	2.4
	2010	2.6	6.2	2.75	77	3.1
Saul Eslake ANZ	2009	-0.5	6.6	2	55	3.2
	2010	1	7.5	3	60	2.3

A business coach's advice

- + Be realistic
- + Costs line by line
- + Evaluate your advisers/partners
- + Do two SWOTs
- + How good is your leadership?
- + Time to think laterally
- + Look for government help

Lateral thinking & experts

- + Edward De Bono
- + Aussie Cricket
- + Two little boys

Focus like a champion!

“There were times when deep down I wanted to win so badly I could actually will it to happen. I think most of my career was based on desire.”

– Chris Evert

Lesson for public servants helping SMEs

- + Think like an SME
- + Confront the brutal truth
- + Get in your strength zone
- + Access experts' views
- + Anticipate your customers' needs by research
- + Measure your results

SWOT Yourself!

- + He was misallocating his time
- + He was operating where he was weak
- + He was neglecting where he was strong
- + He made a costly decision
- + It paid off!

Never stop marketing your business!



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Think laterally and have a go!



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Go back to beautiful basics

- + Don't be a lazy lover
- + Send thank you notes
- + Follow up all of the time
- + Seek permission using email
- + Anticipate needs
- + Do the ordinary things for extraordinary results
- + Create a relationship

Take IP as an example!



- + SME IP knowledge is poor
- + Smart Start = brilliant!
- + Jury out on www.business.gov.au
- + How good is the marketing?
- + How good is the engagement with the customer?
- + Lateral thinking
- + Commitment is needed

Thank you and remember...

- + 95% of us are procrastinators
- + 25% of are chronic procrastinators
- + If nothing changes then...
- + Work out what you want..
- + Find out the price...
- + Pay the price!

Contact me? switz@switzer.com.au

Good luck