

# Super, stress hurting

MOST business owners believe they are putting away too little superannuation.

And many admit to hoping the sale of their business will fund their retirement, according to polling carried out for a new report.

The report commissioned by Business Network International found this was a particular concern as half of all the respondents to its survey were 45 or older. Such a plan also did not address often complex succession planning for family businesses, the group said.

## Poll unearths biggest bugbears for the little guys

**BUSINESS OWNER**  
**CLAIRE HEANEY**



"With 50 per cent of the respondents over the age of 45, this is concerning for the future plans of those looking to retire comfortably," BNI mas-

ter franchise owner Frederick Marcoux said.

BNI, which runs a network of small and medium businesses which meet regularly, asked 2500 businesses across Australia for their views.

When asked what the top three constraints to their business growth were, 12 per cent cited pressure from competitors, 10 per cent price pressure from customers and 9 per cent

rising overheads and utility costs.

Cashflow continued to be the number one concern with 29 per cent of businesses.

The survey, carried out last month, had some upsides, with 65 per cent of businesses reporting stronger results in the past six months compared with the previous six months.

Eight out of 10 were forecasting better numbers in com-

ing months. Mr Marcoux said the businesses credited the more upbeat outlook to "a change in the economy, better planning and networking as a means to achieving success".

Victoria trailed New South Wales in terms of confidence but was ahead of Queensland and Western Australia, with South Australia at the rear.

"Sixty six per cent of business owners say they are often

stressed," Mr Marcoux said.

Nearly a quarter said they coped by trying to maintain a good work-life balance by spending time with family, hobbies and other interests.

"Worryingly, 10 per cent of business owners said they ignored stress and worked harder, saying it's normal to feel stressed," he said.

"If you are a business owner in Victoria, you are less stressed and less worried about your mental health than any locality in Australia."

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## HELLO AGAIN, POSSUMS

CLAIRE HEANEY

WHEN Margot Spalding and husband Alan closed their iconic Jimmy Possum furniture business, they were ready for some down time.

Alan was battling a second round of prostate cancer and with 12 grandchildren they needed a break from the seven-day-a-week job.

They gave the 130 staff six months notice that the Bendigo business they founded in 1995 was closing.

Months later, Ms Spalding's renewed love of sewing has led to her launching a fashion line, Mimi the Label.

Known by her grandchildren as Mimi, the name seemed an obvious choice.

Ms Spalding said she had long collected materials in India, Italy, Indonesia and Pakistan during her travels.

She had sewed for the children but it had taken a back seat when Jimmy Possum, which melded Alan's love of woodwork with her passion for colour, took off from its humble



Margot Spalding is launching a fashion business using fabrics from around the world.

beginnings in the back shed.

Ms Spalding said when the children were little she ran a little business called Piccolo Pips and would hold fashion shows twice a year.

She said after Jimmy Possum closed, "I had time to sew and I loved it, I have so much exquisite fabric."

Pretty soon Alan asked how he could help. She said he took some time to adjust

from working with wood to fine fabric, but has honed his skills and is now chief cutter.

"He is bursting to go to the factory each day. We just love it because we are two people who love making stuff," she said.

Ms Spalding said the garments were intentionally simple, oversized statement pieces. "I initially started to think the label would be for

women in their 60s but all my daughters love wearing the clothes and they are in their 20s, 30s or 40s," she said.

"The colours are so beautiful they will make your heart skip a beat."

Ms Spalding said making locally will not come with an extravagant price tag.

"The garments are really about the fabric. There is not a button or a zip or a

complication," she said.

"It is about being smart in design and manufacture."

Ms Spalding said they planned to "give it a crack for five or six years".

"With Jimmy Possum we ended up with this great business but with Mimi we want to keep it small," she said. It will launch online in early May.

mimithelabel.com.au

## MYOB in 30-day pay vow

LEADING business-to-business provider MYOB is the latest to pledge to pay its suppliers within 30 days.

The accounting software provider said ensuring businesses were paid on time was one of the best things it could do for the economy.

The vow comes amid a growing push for big business to reduce payment times, which often unfairly affect small businesses.

The Victorian State Government last week announced a voluntary pay on time code and the Business Council of Australia is the latest peak group to call for a code.

"We're also encouraging other businesses to commit to paying invoices as quickly as possible. The whole economy will benefit if we can introduce a culture of prompt payments into our business community," MYOB chief Tim Reed said.

"We know there is goodwill out in the Australian business community about this issue. I want to encourage other business leaders to end the practice of late payments and commit to paying small businesses in a timely fashion."

## Why would Mr Market be feeling bullish about Nine?

MR Market can be quite a temperamental fellow.

Pessimistic one day, optimistic the next. But this is good news for investors.

The moodiness creates the buying and selling opportunities for those who acknowledge that price and value can mean different things in the short term.

For those not familiar with Mr Market, he is the allegory created by Ben Graham — the father of value investing — which he developed at Columbia Business School in the 1920s.

He encouraged investors to imagine they were always one of two owners of a business, along with a partner called Mr Market.



### THE SHORT CUT

with ANDREW MACKEN

Every day, Mr Market offers to sell his shares back to you; or buy your shares off you. By taking advantage of his mood swings, an investor can buy businesses from Mr Market when they are undervalued and sell them back when overvalued.

To see an example of Mr Market's rapid change in mood, look no further than Nine Entertainment.

Near the end of October, Mr Market was offering to sell you Nine Entertainment for 85c a share. Come April, Mr Market is offering to buy

Nine back from you at \$1.25 a share. This is nearly a 50 per cent gain in less than six months, a staggering return for a business that is facing structural industry headwinds.

So was Mr Market too bearish last October; or is he too bullish today?

To answer this question, investors need to ask Mr Market what he is expecting from Nine Entertainment's future revenue and earnings growth potential.

Well, at present, Mr Market believes that Nine's

revenues and earnings will grow sustainably into the future, starting next year.

Do these expectations seem reasonable?

Well, since 2015, Nine's television revenues — which drive around 90 per cent of total business earnings — have been declining.

In an age of Netflix, Apple TV and YouTube, consumers face a much wider choice.

And this means free-to-air television audiences in Australia are declining — by around 5 per cent a year.

And what about earnings? Well, they have also been declining. After all, television is a largely fixed-cost business. So when revenues decline, profit margins tend to compress.

Nine Entertainment has been cutting costs over the past year or so, a sensible course of action.

But to the extent cost savings are sought in the area of content, and this appears to be the case, this risks only exacerbating the audience decline, which is creating the headache in the first place.

And spare a thought for the content procurement divisions of Australian free-to-air television providers: they are now competing against the likes of Netflix and Amazon, whose content budgets in a single year are multiples of what Nine's entire business is worth.

In light of these highly challenging conditions, Mr Market may well be feeling a

touch of manic optimism towards the business prospects of Nine Entertainment.

But as Ben Graham figured out nearly a century ago: Mr Market's mood swings create the buying and selling opportunities for value investors.

Warren Buffett once referred to Mr Market as a "drunken psycho".

And given the opportunities Mr Market has thrown up to Buffett over the years (no pun intended), one can be sure he would never want this to change.

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