

Credit Control through Court

Collection of debts is becoming increasingly difficult as the recession bites harder. Ideally business would not expose themselves to the risk of their debtors not paying - by not granting credit in the first place. However the culture of doing business in Ireland has always been around a generous payment term and a high degree of trust. EU legislation was passed in 2002 which granted the right to charge and recover interest on overdue debts. Such a condition must be clearly stated in the terms and conditions of your agreement with your customer. However experience shows that threats of enforcing such interest in the SME sector tends to antagonize the debtor rather than act as an incentive to speed up payment.

So what are the other options? Debtors have different payment pressure points. Some will pay

when they get a demand letter, some will pay when the solicitor serves proceedings and others will pay when they get the judgment. By demanding payment in this way you



certainly run the risk of destroying an existing business relationship but that is the choice you make.

Writing to your debtor to inform them that you intend to publish the judgment in either Experian

All Ireland Gazette or Stubbs Gazette can be an effective threat as both publications are read widely by bank managers, credit controllers and finance houses. The publication of a judgment in this way could have a serious affect on your debtor's ability to continue trading. Creditors can also contact their county sheriff who can seize and sell on goods belonging to the debtor in discharge of a debt.

The District Court

If your own warnings and solicitor's letters fail to secure payment, it might be time to consider issuing a civil summons through the District Court. The District Court deals with non-payment cases involving amounts of up to €6,348. Once you put the wheels in motion, your summons will be served on your debtor but, if he or she chooses not to defend the case, you will not get your

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Revenue's REAP

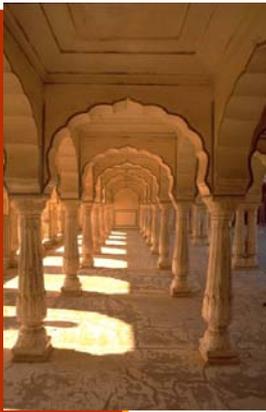
REAP is Revenue's risk analysis system. It risk-rates Revenue's customer base providing coverage across all the main taxes and duties. 'Risk' in this context means the risk posed to Revenue's core business of 'collecting the right tax and duty at the right time'. REAP has been designed to analyse a vast amount of data (including third party data) that

Revenue has on tax and duty cases and to attribute scores based on the level of risk they pose. It prioritises cases based on risk, enabling Revenue to target its attention on those who need it most and minimising contact with compliant customers. It focuses on a customer's track record rather than single returns - it aims to ensure fairness by applying the

same rules to all cases. These rules have been derived from the collective knowledge and experience of Revenue auditors.

Revenue's annual compliance programme also includes the examination of cases from specific economic sectors. Risk features are identified. Lessons learned from selected cases are

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Credit Control through Court (cont.)

day in court. Instead, the judgment will be issued automatically on foot of the affidavit of debt sworn by you as the plaintiff. If your debtor does decide to defend his or her position, a trial will be held at which you can call on suitable witnesses to give oral evidence.

The Circuit Court

The Circuit Court deals with debts of between €6,348 and €38,092 and has the same general procedures as the

District Court. However, the Circuit Court gives you one additional option - it allows you to apply for a summary judgment. You might typically choose to take this route where you feel that your debtor really has no defence against your claim. The summary judgment also applies where your debtor can provide no grounds for a defence. In effect, this provides for a short-cut to trial and cancels out the requirement for witnesses to attend court.

The High Court

The High Court deals with cases where the amount due is greater than €38,092. The same procedures apply here as in the District and Circuit Court, where the case is undefended. If the case is defended, it is by way of a motion before the Master of the High Court in Dublin. Both creditor and debtor are permitted to make their cases by affidavit. The Master of the High Court will then rule in favour of the successful party or will refer the case on to a High Court judge.

As many as 100,000 are expected to join a mass exodus of the country over two years as the economy remains frozen until at least 2012. The ESRI, which advises the Government on policy decisions, predicted 50,000 people will have left the State looking for a new life abroad between last April and April this year. Another 50,000 will seek out better prospects overseas during the following 12 months.

Prices on average, as measured by the CPI, were 0.9% higher in February 2011 compared with an increase of 0.4% in February 2010. The annual rate of inflation for Services was 2.8% in the year to February, while Goods increased by 1.4%.

AVERAGE HOUSE PRICES ARE DOWN TO LEVELS LAST SEEN IN 2002 AFTER A 38% FALL FROM THE PEAK, A SURVEY HAS REVEALED. ACCORDING TO THE INDEX COMPILED BY PERMANENT TSB AND THE ESRI THINK TANK, HOUSE PRICES CAME DOWN BY 10.8% OVER THE COURSE OF LAST YEAR. THE REPORT SAID THE FIGURES COMPARED TO A FALL OF 18.5% IN 2009. THE PTSB/ESRI HOUSE PRICE INDEX IS BASED ON AGREED SALE PRICES AND CALCULATED USING DATA FROM MORTGAGE DRAWDOWNS. THERE IS NO OFFICIAL REGISTER FOR THE PRICES PAID FOR HOMES IN IRELAND.



Building Your Brand

Every company has a reputation. Everyone you meet will form an opinion about your company, even if they have not done business with you yet. The challenge is to manage your reputation so that the opinion that people have of you is positive. This is what creates a brand.

Brands have a number of strategic functions, enabling you to:

- Differentiate yourself from your competition
- Position your focused message in the hearts and minds of your target customers
- Persist and be consistent in your marketing efforts
- Customize your services to reflect

your personal brand

- Deliver your message clearly and quickly
- Project credibility
- Strike an emotional chord
- Create strong user loyalty

For small businesses, branding is not about slick advertisements. Small business branding is about getting your target market to see you as the preferred choice. Building a slightly famous brand is not just about what you do; it's about what you do differently from everyone else.

Building Your Brand

A brand is a promise of the value your clients will receive. In an

amazingly complex and competing world, having your customers not only acknowledge but support the promise of your brand is the key to building a thriving business.

Branding integrates customer service, sales promotion, public relations, direct mail, newsletters, discounts, event sponsorship, word of mouth and other communications tactics to present a unified message about the company, its products or services.

Your brand will integrate all your marketing around a core idea and vision. As a result, you will find it easier to sell yourself, because you

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Revenue's REAP (cont.)

then applied to the sector as a whole, focusing on those risk model is adjusted to take account of sector-specific risks.

Projects can range from unannounced compliance visits to full comprehensive audits. In many instances, Revenue

will have gathered intelligence on a sector in advance from a number of sources, including the REAP system, results from other enquiries and audits in the sector, local knowledge, or information from third parties, including suppliers.

A project may simply focus on all businesses in one geographic location. In some instances, taxpayers in a sector will be

asked to "self-review" prior to receiving an audit notification. They are asked to review their returns, paying particular attention to certain areas of risk that Revenue has identified. Revenue treats any qualifying disclosures submitted as a result of self review as unprompted qualifying disclosures with significant reduction of tax penalties.

Retail Sales Strategies



There are many outside influences that affect profitability and a retailer's bottom line. Setting the right price is a crucial step toward achieving that profit. Retailers are in business to make a profit, but figuring out what and how to price products may not come easily.

Before you can determine which retail pricing strategy to use in setting the right

price, you must know the costs associated with the products. Two key elements in factoring product cost is the cost of goods and the amount of operating expense. The cost of goods includes the amount paid for the product, plus any handling expenses. The cost of operating the business includes

overheads, payroll, marketing and office supplies.

Once you understand what your products actually cost, you should look at how your competition is pricing their products. Retailers will also need to examine their channels of distribution and research what the market is willing to pay. Many pricing strategies exist and

each is used based on a particular set of circumstances. Here are a few of the more popular pricing strategies to consider:

Markup on cost can be calculated by adding a pre-set (often industry standard) profit margin, or percentage, to the cost of the merchandise. Be sure to keep the initial mark-up high enough to cover price reductions, discounts, shrinkage and other anticipated expenses, and still achieve a satisfactory profit. Retailers with a varied product selection can use different mark-ups on each product line.

Recommended Retail Price (RRP) Wholesaler suggested retail price is a common strategy used by the smaller retail shops to avoid price wars and still maintain a decent profit. Some suppliers have minimum advertised prices but also suggest the retail pricing. By pricing

The standardised unemployment rate in March was 14.7%, unchanged from February. In March 2011 there were 441,193 people signing on the Live Register representing an annual increase of 6,072 (+1.4%) over the year. This compares with an increase of 7,343 (+1.7%) in the year to February 2011 and an increase of 65,918 (+17.9%) in the year to March 2010.

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Building Your Brand (cont.)

message will be uniform and powerful. Every business needs to evaluate its brand identity against the following criteria:

Relevance to the Market

A brand must stand for something that is meaningful to members of a target market. Your brand encompasses the total experience of doing business with you.

Consistency of Behaviour

Customers must be able to depend on the brand to deliver the same experience every time. Because your market experiences your values through your brand, the only way they will truly become loyal to your brand is through your dedication and consistency.

Relationship-Building A brand is not a logo or an advertising strategy. The strength of any brand is in the relationship it has between a company and its customers. The stronger the relationship, the more business they will do, and the more likely it is that customers will refer them to their friends and business associates.

Loyalty to the Customer Is Returned

The test of a brand is, in fact, the strength of loyalty it generates. If you have a strong relationship with your target audience, then you have a strong brand and a strong business.

Reputation Is Priceless

The only way to be successful in business is

by establishing a good reputation, and a brand can help you do that. Your reputation works as your strongest marketer by communicating the relationship you have with people who've done business with you, and your target market in general. Good brands stand the test of time.

To develop a brand that will last a lifetime, go beyond what you do right now. Think long term. If you establish a place of trust and relevance in prospects' minds, you're already in the door. The more people believe in your brand, the more it will spread throughout your niche market without your pushing. If your brand is clear, distinctive, and easily understood, and expresses a unique, compelling benefit that people believe in, it will bring you all

The next National Census will take place on the night of Sunday April 10, 2011 and will count all the people and households in the country on that night. At national level current population statistics are essential for planning the provision of health care, education, employment, etc. The greatest strength of the census is the provision of detailed population figures at local level. These help to identify likely demand for schools and health care facilities, areas of relatively high unemployment, the best location for new shops, etc. The last census took place on the night of Sunday April 23, 2006.

Universal Social Charge (USC)

The Universal Social Charge (USC) introduced on 1 January 2011 is a tax payable on gross income from all sources, including notional pay, after any relief for certain capital allowances, but before pension contributions.

The rates of Universal Social Charge are:

- 2% on the first €10,036
- 4% on the next €5,980
- 7% on the balance.

However, these standard rates are modified in certain circumstances. In the case of individuals aged 70 or over, and individuals who hold **full** medical cards, the 4% rate applies to all income over €10,036.

There is a surcharge of 3% on individuals who have income from self-employment that exceeds €100,000 in a year, regardless of age. Thus, where such individuals are under 70 years and do not hold a full medical card, a rate of 10% applies to such income and where such individuals are aged over

70 years or hold a full medical card. The exempt categories include:

- Where an individual's total income for a year does not exceed €4,004
- All Dept of Social Protection payments
- Income already subjected to DIRT





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Retail Sales Strategies (cont.)

supplied by the vendor, the retailer is out of the decision-making process and doesn't have an advantage over the competition.

Pricing below competition simply means pricing products lower than the competitor's price. This strategy works well if the retailer negotiates the best prices, reduces costs and develops a marketing strategy to focus on price specials.

Prestige pricing, or pricing above competition, may be considered when location, exclusivity or unique customer service can justify higher prices. Retailers that stock high-quality merchandise that isn't available at any other location may be quite successful in pricing their products above competitors.

Psychological pricing is used when prices are set to a certain level where the consumer perceives the price to be fair. The most common method is odd-pricing using figures that end in 5, 7 or 9. It is believed that consumers tend to round down a price of €8.95 to €8, rather than €9.

Multiple pricing is a method which involves selling more than one product for one price, such as three items for €10.00. Not only is this strategy great for

markdowns or sales events, but retailers have noticed consumers tend to purchase in larger amounts where the multiple pricing strategy is used.

Discount pricing and price reductions are a natural part of retailing. Discounting can include coupons, rebates, seasonal prices and other promotional markdowns.

Loss leaders are goods or services offered at steep discounts (generally below cost) in order to attract new customers to a store. It is a time-honored practice that has been met with much success, especially by large discount retailers. The intent of this pricing strategy is to not only have the customer buy the (loss leader) sale item, but other products that are not discounted. There can be success in loss leader pricing, but be aware of some obstacles to the process. If done incorrectly, loss leaders can actually cause the business to lose money. There may also be legislation preventing below cost selling in certain areas.

It is difficult to say which component of pricing is more important than another. Just keep in mind, the right product price is the price the consumer is willing to pay, while providing a profit to the retailer. Regardless of the pricing strategy used, the retail price

of the products should more than cover the cost of obtaining the goods plus the expenses related to operating the business. A retailer simply cannot succeed in business if they continue to sell their products below cost.

