



WHAT IS STRATEGIC PLANNING? (continued)

ABOUT US

At JBW Consultants, we assist SME and start-up businesses, in the step-by-step process of developing your ambition for your business, be it achieving profitable growth, diversifying into new areas or planning a retirement / exit strategy.

From our experience as accountants, auditors, taxation consultants and business management experts, we have developed methodologies to help you make the right decisions for the future of your business. We specialise in the provision of professional solutions for family businesses and SME's in the South East region. Why not visit our [website](#) to see how we may be of assistance to you.

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operational planning with actions, mileposts, timelines and responsibilities identified. And just to make sure you're on the right track, this is typically followed up with evaluation, where ongoing refinement and evaluation of performance, culture, communications, data reporting, and other strategic management issues occurs.

The plan should identify whether your organisation is responsive to a dynamic environment. It's the companies that are the most flexible and nimble that can quickly readjust to ever changing events inside and outside their company that are the most successful. What creates this ability to be adaptable is the commitment of the employees and management to work together, tackle problems directly, and to share the responsibility for carrying out the plan.

For an accurate picture of where your business is, conduct external and internal audits to get a clear understanding of the marketplace, the competitive environment, and your organization's competencies (your real, not perceived, competencies).

Joined-up thinking is required if a plan is to be successful. Far too many plans fail to identify the links between each function within an organisation (sales, marketing, purchasing, manufacturing, finance, etc.).

Communicating the plan in a way that each section understands its role and the strategic direction of the organisation is also key. What the company should not pursue is equally as important in the messaging to the organisations employees as what they should pursue.

A strategic plan describes how you can get to your "vision". It's about making decisions in the present for the future and usually involves a 3-5 year time frame. A strategic plan also helps business leaders determine where to spend time, human capital, and money. But it's not just a plan, but also a driving force infused into an organisation. It is both written and lived. It should be thought through carefully, be dynamic and reflect a flexibility and readiness to whatever the future may bring.

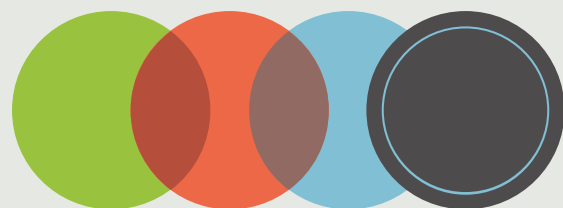
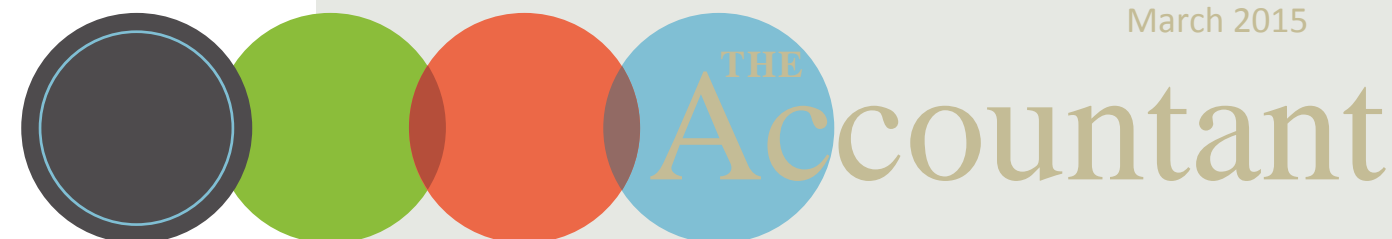
In spite of all the evidence that plans are a good thing, most studies indicate that many businesses do not have a written strategic plan. This might be due to the fact that business owners see strategic planning as too daunting and uncertain. It shouldn't be! Engage the services of a consultant that is experienced in assisting businesses to develop their plans. Follow a structured methodology and stick to the timelines!

A word of caution: "*turnover is vanity, profit is sanity*" – In developing your plan, don't aim for turnover increases. Aim for profitable growth!

A quarterly newsletter filled with practical business advice and strategic analysis to help drive growth and meet company objectives.



SMOOTH SAILING
THROUGH STRATEGIC
BUSINESS DECISIONS



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WHAT IS STRATEGIC PLANNING?

Originally from the Greek roots, STRATEGY, to spread out, usually in a military sense, and AG to drive or to lead, the word strategy conjures up images of preparing for battle, or competition. It follows that a strategic plan should focus on where you want to take your organization over time. This sets the direction of the enterprise over the long term and clearly defines the mission (markets, customers, products, etc.) and vision (conceptualisation of what your organization's future should or could be).

A strategic plan should be values-based and shared throughout the organisation. Everyone should be on board and working toward the same goals from the start. Implementers and planners must be the same people. The plan should be based on accurate information and data.

There are many strategic planning methodologies which have been developed and refined over time (Five Forces, SWOT, Balanced Scorecard, Value Stream Mapping, etc). While there are no absolute rules regarding the right framework, most follow a similar pattern and have common attributes.

A SWOT analysis (strengths, weaknesses, opportunities and threats) is often a good way to start. This analysis should look both internally within an organisation as well as looking at the external environment. The next step should then lead on to strategy formulation, where high level strategy is developed and a basic organization level strategic plan is documented. This is followed by strategy execution, where the high level plan is translated into more

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The number of Irish mortgage approvals in 2014 rose by 43.6% to 26,576, according to latest figures from the Banking & Payments Federation Ireland. At a 36-year low the number compares with 26,777 in 1978.



HOME RENOVATION INCENTIVE SCHEME

The Home Renovation Incentive (HRI) Scheme provides for tax relief for Homeowners and Landlords by way of an Income Tax credit at 13.5% of qualifying expenditure on repair, renovation or improvement works carried out on a main home or rental property by qualifying Contractors. The HRI tax credit can be claimed through HRI online the year after the qualifying work is carried out and paid for.

The amount of the HRI tax credit depends on the amount spent on qualifying works. Tax relief can be claimed on qualifying expenditure over €4,405 (before VAT at 13.5%) per property. This €4,405 (before VAT) can be the total from any number of jobs carried out and paid for from 25 October 2013 to 31 December 2015 for Homeowners claiming on their main home and on or after 15 October 2014 and up to 31 December 2015 for Landlords claiming on their rental property. While there is no upper limit on expenditure on qualifying works, the tax credit will only be given in

in relation to a maximum of €30,000 (before VAT at 13.5%) per property.

If a Homeowner or Landlord is using a HRI qualifying Contractor, the Homeowner or Landlord should be sure that the Contractor is tax compliant

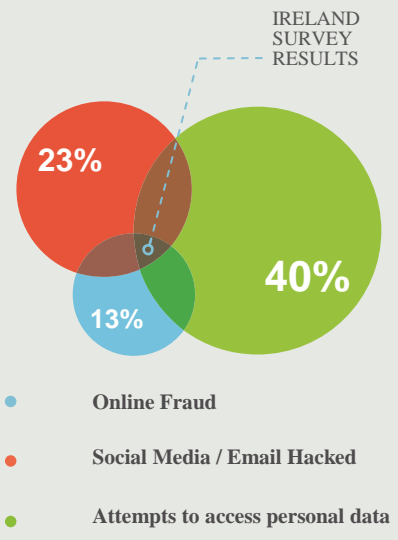
Qualifying expenditure means the Homeowner or Landlord is paying for the type of works on the type of residential property and is paying the type of Contractor covered by the HRI. Details on the following link: <http://www.revenue.ie/en/tax/it/reliefs/hri/hri-general-faqs.html#section12>

The tax credit for 2014 claims for Homeowners will be given in 2015 and 2016, whereas the tax credit for 2015 claims for Landlords will be given in 2016 and 2017. Claims for 2014 can be made by Homeowners through HRI online from 13 January 2015. Claims for 2015 can be made by Landlords through HRI online from January 2016. The minimum tax credit is €95 per property while the maximum is €4,050.

VAT INVOICE - REVENUE OFFENCE

Finance (No2) Act 2013 inserted a new section 108A in Vat Acts 2010 which provides that Revenue may serve Notice on an accountable person to furnish specified information on taxable supplies made.

There is a legal obligation on a supplier to issue a VAT invoice to another accountable person in accordance with section 66(1) of the VATCA 2010 and if an invoice is not issued in circumstances where it should have been, this constitutes a Revenue offence. There is no legal requirement on a customer to identify him/herself to a supplier



CYBER FRAUD SYRVEY

Nearly a third of Irish respondents said they have discovered malicious software on their device, but just over half of them have installed anti-virus software, according to a [Eurobarometer survey](#). This compares with an EU average of 61 per cent who have taken this precaution.

The survey found 13% of Irish Internet users have experienced online fraud where goods purchases were not delivered, counterfeit or not as advertised, a little above the EU average. Meanwhile, 16% of Irish respondents - the third highest in the EU - said they have had experience of their social media or email account being hacked.

CRO LATE FILING SUMMONS

In November 2014, dozens of companies were summoned to appear in front of a District Court Judge at Morgan Place, Dublin 7 to answer charges that they were late in filing one or more Annual Returns. These companies face fines of up to €2,500 + costs for each summons they are convicted on, and this is in addition to the usual CRO late filing penalties. This is part of the CRO's on-going campaign to 'encourage' companies to file on time.



INDUSTRIAL PRODUCTION GROWTH

Irish industrial production rose by 35.8pc between November 2013 and November 2014, the largest yearly increase in industrial production in the EU, figures from Eurostat show. The highest rises were in Ireland's pharmaceutical and high-tech sectors. The food and energy sectors also showed strong growth.

UNEMPLOYMENT RATE

The pace of improvement in the Irish labour market accelerated in the second half of 2014. Figures released by the [Central Statistics Office](#) show that 144,645 people left the Live Register to take up jobs 2014.

This means that 37pc of the people who were on the Live Register a year ago have entered employment and the unemployment rate now stands at 10.7pc. The unemployment rate fell 1.5 percentage points from the 12.2pc recorded a year earlier and is at its lowest level since February 2012.

Employment & Investment Incentive Scheme

Under the EIIS Scheme qualifying investors can avail of a tax deduction for the cost of investing in certain companies. In order for the relief to apply, the company must use the funds invested by the qualifying individuals to achieve the following:

- > increase the number of employees and the average emoluments paid by the company during the relevant period,
- or
- > increase the amount of expenditure by the company on R&D activities during the relevant period.

Individuals will qualify for EIIS relief if they subscribe for eligible shares in a qualifying company. Eligible shares must be new ordinary shares that throughout the period of three years from the date of their issue carry no present or future preferential rights to dividends or to the company's assets on its winding-up.

IN BRIEF - LINKS

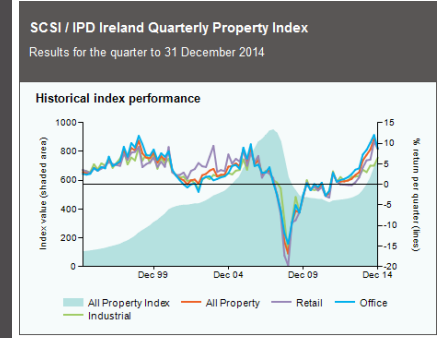
1 **START YOUR OWN BUSINESS GUIDE**
CPA Ireland has launched a Start Your Own Business Guide. Download a copy [here](#).

2 **PRIVATE SECURITY AUTHORITY**
The Private Security Authority, which was established pursuant to the Private Security Services Act 2004, is the statutory body with responsibility for the licensing and regulating the private security industry in Ireland. <http://www.psa.gov.ie/Website/psa/pa.nsf/home?openform>

3 **RETIREMENT PENSION GAP**
Aviva research into Ireland's pension position indicates that as a nation, we are not saving enough for our retirement. Aviva has developed Mind the Gap - a simple calculator to enable you to work out your own retirement position <http://www.mindthepensiongap.ie/index>.

4 **VAT MOSS PORTAL**
Revenue's VAT MOSS Registration portal was successfully launched on 15th September 2014 to facilitate Union and non-Union businesses. Any business wishing to register for MOSS in Ireland will find further information on the scheme on the [VAT MOSS - TBE Services 2015](#) page.

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i.e. s/he is likely to be an accountable person, it is the responsibility of the supplier to issue a VAT invoice.

Where a supplier fails to issue a VAT invoice to another accountable person, s/he shall be liable to a penalty of €4,000, for each instance.

and, unless the customer requires a VAT invoice for the purposes of deductibility, s/he may not do so. However, where a customer is purchasing taxable goods/services where the volume and/or the value of the goods/services, as well as the frequency of the purchases, indicate that the customer is likely to be buying the goods/services for re-sale