



## Dear Client

Please find enclosed our BVSA newsletter for July 2017

The content of this newsletter has been compiled especially for you and we hope you will enjoy this publication and find it informative.

In this edition you can read more about the following:

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If you have any queries or would you like more information, please contact us by sending an email to [info@bvsa.ltd](mailto:info@bvsa.ltd).

Kind regards,

*Pieter Wessels*

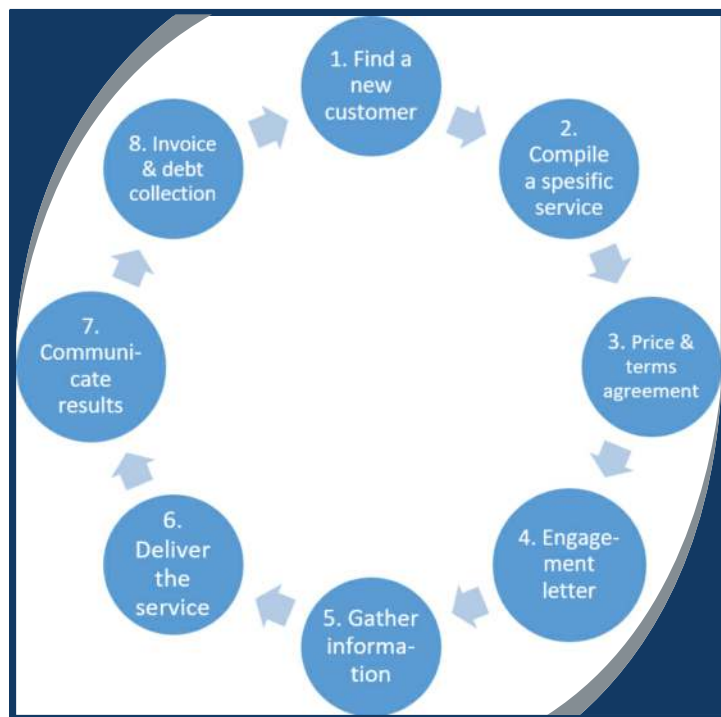


## Key steps to the effective management of a service supplying business

Several of our clients at the BVSA Group operate businesses that are committed to service delivery towards their clients. Many of these businesses provide a professional service to their customers such as architects, building accountants, estate agents, engineers, brokers, lawyers, consultants and even accountants.

Although this article specifically focuses on businesses that provide a professional service to its clients, other businesses that provide a service to their clients can benefit from these key steps as well.

The circle figure below shows the 8 steps that a service-providing business should consider.



Circle figure: 8 steps to the effective management of a service-providing business

### STEP 1: Find a new customer

Finding new customers can be quite a challenge, especially if you've just started a new business and need to build a customer base from scratch.

Perhaps you have brought a few clients over from your former employer's company to your new business (in this case just make sure you act ethically correct and comply with any agreement made with your previous employer). Maybe you have bought into an existing business or have taken over a portion of the client base of the business. In these cases, it will be extremely important to retain key customers and to find new clients, if you would like to expand your business. If you have bought partnership in an existing business, the immediate pressure to find new customers will be reduced, as some of the clients can be moved over to your account.

No matter which one of the above-mentioned situation applies to you, it's always important to add new customers to your existing business, this will ensure growth and replace the natural outflow of customers. There are various marketing and sales techniques available to attract new customers, however this will not be discussed in this article. We would however like to make you attend on the fact that the main marketing technique for a business is your own customers. Providing good service to your customers will ensure that your existing customers market your business, at no price, to their own business friends and existing customers.

### STEP 2: Compile a specific service

This is where supply (your capacity to deliver services to the benefit of your customer) meets demand (the specific need the customer has explained to you). Your own skills along with the skills of your colleagues make it possible for your business to deliver additional services, other than its normal services, to benefit customers.

It may also be necessary to look at alternative external skills to compile the correct service package to fully address your client's needs. You should therefore be willing to introduce your client to other specialists, inside or outside of your own business, who have the necessary knowledge that you do not have.

### STEP 3: Price and terms agreement

Even though your motivation is first and foremost to provide a good service to clients, remember that basic business principles should also be applied.

Explain to clients how your business calculates prices for a specific service for example:

- Prices are fixed for certain services. (In such a case, you must ensure that the price is sufficient to cover the time spent by yourself as well as colleagues, together with operating costs to ensure a profit. The profit margin will also be influenced by your competition, who deliver the same type of services.)
- For certain services, the price is determined by the amount of time spent by yourself and your colleagues. (Inform your client that you and your colleagues may work at different rates per hour. Some work may be done by junior staff who work at a lower rate, while more complicated work will be done by senior staff or yourself. Remember that hourly rates should not be guessed but a formal cost calculation should be done to account for your own and your staff's rate per hour. Our BVSA chartered and professional accountants would gladly assist you in these calculations.

Explain to the client the terms of payment for example: a deposit is payable before the work can begin and the difference is payable when the service is completed and the customer is satisfied with the service. Where no deposit is required, clearly state to the client that the invoice is payable on delivery or, for example, 7 days / 14 days after delivery of service, etc. While explaining the prices and terms to the customer, it is important to provide a realistic date for completing the service rendered to the customer and then abide by this arrangement.

### STEP 4: Engagement letter

Various professional associations nowadays require professional practices to provide a current and accurate engagement letter which sets out the following details:

- The nature and extent of the work to be performed, including any restrictions.
- The way in which additional work will be dealt with and how the price will be determined.
- The client's role regarding the provision of documents and necessary information.
- The responsibility of the business in terms of professionalism, confidentiality and completion of work. (I.e. how long will it take your business to finish the work)
- Prices and terms for services to be delivered.

In some cases, a new letter of engagement should be prepared for new or unexpected work that occur during the year. This way both parties will know what is expected of them in the business relationship.

Even if this is not a requirement in your business/practice, it is still a clever idea to draw up an engagement letter. These are the first four key steps that can help you effectively manage your business.

In our next month's newsletter, we will share more on the last four steps, as outlined in the circle figure.

Meanwhile, you are more than welcome to contact us directly for more information at [info@bvsa.ltd](mailto:info@bvsa.ltd).

*Article by Francois du Toit*

*Source: SAIPA – Technical & Standards Department*

## Q2Y17 – Feedback

In the previous report there was still some doubt about the French election and the US and North-Korea's threats against each other.

The French election turned out great for Europe, with Germany undoubtedly giving a great sigh of relief that an Anti-European Union candidate did not gain the victory.

The threat between the US and North-Korea seems to have subsided, but Kim Jong-un's hunger for long-range strategic ballistic weapons has not waned. Expect more threats in future.

In South Africa, the usual pre-election (ANC president) mudslinging is gaining momentum and some unusual and irresponsible statements made by political leaders contribute to increased instability and uncertainty among local and international investors. This is to the detriment of every single South African citizen and all in the hope of diverting attention away from our underperforming government.

If we look beyond politics we see a country that has officially experienced a recession since June 6th. This recession started quite some time ago and has since taken root in the foundation of our economy. The warnings were there and business people pointed this out. The government did nothing, resulting in most South African companies expanding overseas rather than investing in South Africa. For the past 3 years focus on foreign investment has been on the agenda of most companies which in turn led to low employment in South Africa. As a result, our unemployment rate is sky high.

For the past 3 years up to 30 June 2017 the stock exchange delivered only 3,07% annually including dividends. At the same time inflation was 5.5% annually and on average the Rand weakened 7% annually against the US Dollar.



In the same period listed property has generated 13% per annum, money markets on average 6,54% and income funds as much as 9,34% per annum. These numbers clearly show the benefit of a diversified portfolio.

Boshoff Visser Consult's (BVSA) overweight position in listed property the past few years benefitted our clients.

Most of our portfolio compositions the past 3 years enjoyed exposure to Income funds of more than 20% which benefitted clients' average returns.

The biggest advantage of property- and income funds is the fact that they pay out income (rental income and interest) quarterly. This makes re-investment possible which in turn increases the client's property- or income fund units. The units are the actual asset for the client and therefore the number of units is the asset which must be protected and grown in times when capital growth is scarce.

If a client withdraws income from an investment, income and dividends support the payments and prevent the funds units from decreasing.

Now is not the time to become emotional about investments. Exposure to the right asset classes can still ensure a return greater than inflation. Boshoff Visser Consult's (BVSA) clients still enjoy exposure to shares (domestic and foreign) as there are still well managed companies making profit for shareholders.



**Q3Y17 What lies ahead...**

Some more political mudslinging followed by economic uncertainty. This should continue at least until the ANC Conference in December where the new party president will be elected.

Therefore, prepare for an erratic stock exchange and exchange rate.

*Article by Guillaume Oberholzer – Financial Advisor*



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## Measuring digital communication

Digital communication has transformed the way we communicate and interact with our stakeholders. It gives us the means to share our goals, news, products and services in real-time with the global world.

We can now publish presentations, videos, images and many more digital communication tools across a vast selection of digital platforms. Reaching our target markets with the right information at the right time has become easier and easier.

But how do we measure our results so that we can analyse our communication initiatives? How can we ensure we continue to target the right people with the right message? The digital sphere can become very complex and frustrating when a campaign needs to be measured.

There is unfortunately no clear-cut answer, but these four easy points can help you build a measurement strategy and help you focus on reaching your goals:

### Reach

Reach is the potential audience you could reach with a message based on the total amount of followers or friends you have. For example, if your account has 100 followers on Twitter, then a tweet could potentially reach 100 people.



### Exposure

Exposure magnifies your reach (potential audience) as it includes your reach and the number of followers each of your followers have.

So, every time a follower shares one of your messages it could potentially be viewed by their list of followers as well. Each occurrence is called an impression and is integrated in a message's exposure.

### Engagement

Engagement is a very important measurement. It explains how many individuals acted on your message; for example, by sharing it, commenting on it or retweeting your message.

### Influence

When measuring influence, you take into consideration the metrics mentioned above and analyse if they are positive, negative or neutral in sentiment. Was your audience excited about your message or did they dislike it? Unfortunately, this measurement is subjective and can therefore be influenced by individual opinion and perception.

In this digital age, we are responsible to create relevant and quality content that our audience will enjoy and engage with. Ensure your messages achieve their goals and objectives so that your company's reputation continuously improves.

*Article by BVSA Communication*



BVSA Communication is a division of the BVSA Group. We plan and implement communication assignments for the group, as well as our clients, and support them with professional communication activities in their pursuit of maintaining and growing a successful business in a cost-effective and co-operative manner.

For more information, please visit:  
[comm.bvsa.ltd](http://comm.bvsa.ltd)