

Not all doom and gloom

Much of the commentary on the financial crisis has been about the expected problems and downside.

Doom and gloom has overtaken much of the commentary and little has been said about whether there is an upside. There is.

Not only will smart SMEs ride out this market, many will prosper from it. The ones which do so will generally achieve this because they understand opportunities exist and they will position their business to take advantage of these opportunities.

The SME market in 2009 will comprise strugglers, survivors and predators. The majority will be survivors – simply trying to maintain their market share and position. But if you want to grow in this market there are opportunities.

Businesses seeking to buy should be able to do so at discounted prices. There will be assets and businesses on the market in 2009 and some will be distress sales.

The key to acquisition is to buy right. And the greatest influence on the value of most businesses will be

In the last of a four-part series, **Greg Hayes** explores the opportunities for SMEs in 2009.

the quality and sustainability of their customer base. Irrespective of what revenue and growth were in previous years, focus your due diligence around the quality of the customer base. Even a discounted business can turn out to be expensive if revenue cannot be maintained.

There will be an opportunity in 2009 to grow your critical mass at a price less than normal. Doing this will not only grow your size but if done the right way, will also drive down your relative fixed-cost structure.

There is also an opportunity to pick up customers and clients who will be seeking alternative solutions. Most businesses are reviewing their cost structures and working out where savings can be made.

Your business may offer goods or services at a price point that make

you an attractive alternative. Here, I'm not talking about discounting your existing prices. Rather positioning your goods and services to a market segment possibly above where you traditionally deal, offering them an alternative to their existing supply, and where there are price benefits for them. For many SMEs, this could be an extremely lucrative market, but you need to be out there on the front foot.

Markets are being pumped up by government spending. SMEs need to position themselves to take advantage of this. You may be either a direct supplier or a secondary supplier. Irrespective, you need to be out there identifying the projects that you can link into and getting your marketing in place.

Businesses that are pro-active and can differentiate themselves in the market will prosper in 2009.

■ *Greg Hayes is a specialist SME adviser and a director of Hayes Knight, Accountants & Business Advisers.*

Strategic vision the key to success: award winner

Mark Fenton-Jones

The winner of Ernst & Young's Entrepreneur of the Year award has urged the government to spend more on education.

Rod Jones, founder and managing director of education services provider Navitas, made his comments during the award ceremony in Sydney on Thursday.

He said that the secret of entrepreneurship was to have a vision that was backed by a strategy. "You've got to have a vision," he said, adding that entrepreneurs had to take risks. "Unless you take a risk, you are never going to get the final reward."

In the lead up to the national award, Mr Jones also won a gong in the services category. Awards were also given to Torsten Ketelsen of the GMA Garnet Group in the technology and emerging industries category, while Mark Newbold of shipbuilder Strategic Marine took the products category award and

Karen Cariss of recruitment firm PageUp People won the young entrepreneur category.

In the social entrepreneur category, Adam Garone of the Movember Foundation won for his not-for-profit charitable organisation that raises awareness and funds for men's health issues.

West Australian-based Mr Jones will go to Monte Carlo in May, along with entrepreneurs from more than 50 other countries, to represent Australia at E&Y's 2009 World Entrepreneur of the Year awards.

Mr Jones founded Navitas in the mid-1990s when he saw that many bright international students in Australian universities failed despite being talented performers in their home countries. He realised this was related to adjusting to living and studying in a different country as well as language limitations.

He established private colleges where international students could get support. Navitas is now the largest provider of pathway education.

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