

Strategic Management Tasks

Late in each financial year is a good time to get your planning, budgeting and operational procedures up-to-date. Doing this lets you hit the ground running at the start of the new financial year. If there are significant changes in your business, it is suggested that such reviews be undertaken more regularly.

STRATEGIC MANAGEMENT TASKS	
TASK	REGULARITY
Create or update your strategic plan	Three-year horizon, updated annually
<p><i>Possible actions:</i></p> <ul style="list-style-type: none"> • Have a strategic plan for the owners, as well as for the business. This ensures the business complements the owners' needs. • Take time to review lessons learned from the current year and incorporate those lessons into your strategic plan. • Involve key staff in the planning process. • Consider engaging an external expert to assist you with the planning process. • After setting your plan, develop an action plan with specific tasks and responsibilities. • Consider the opportunities of selling your products and services online, and using social media to promote your business and engage with customers and potential customers. 	
Conduct performance reviews	At least annually
<p><i>Possible actions:</i></p> <ul style="list-style-type: none"> • Don't wait until the formal feedback process – provide regular feedback to staff. 	
Consider incentive systems or commission-based pay	At least annually
<p><i>Possible actions:</i></p> <ul style="list-style-type: none"> • Make incentive systems simple, pay promptly and link the incentives to controllable success factors for each role. • Consider only paying commission when you have received cash from the sale and paying higher commissions for sales of higher margin products and services. • Ensure that commission-based remuneration does not result in behaviour by sales staff that is not in the customers best interests or inconsistent with your business's values. 	
Get staff to sign an employment agreement (including provisions for confidentiality obligations and ownership of intellectual property)	Commencement of employments
<p><i>Possible actions:</i></p> <ul style="list-style-type: none"> • Obtain legal advice to ensure employment agreements comply with the law. 	
Consider if 'restraint of trade' contracts are needed for key staff	Commencement of employments
<p><i>Possible actions:</i></p> <ul style="list-style-type: none"> • Obtain legal advice to ensure applicable contracts are enforceable and advisable. 	

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Review sales contracts and customers' terms of trade	Annually
<i>Possible actions:</i>	
<ul style="list-style-type: none"> • Shorten your terms of trade, particularly for habitual late payers or other high-risk customers. • Implement credit limits on customers. • Seek personal guarantees and other forms of security. 	
Review suppliers' contracts or terms of trade	Annually
<i>Possible actions:</i>	
<ul style="list-style-type: none"> • Negotiate a lengthening of their terms of trade. • Review how goods are supplied to you (so that it better meets your needs). • See if you can reduce the minimum quantity you can order. • Review payment discounts to see if early payment is beneficial. Early payment may put unnecessary stress on your cash flow. • See if buying in bulk meets your needs and does not result in extra storage costs or wastage. • Consolidate ordering, for example buying once a month rather than once a week. • Consider the implications of the <i>Personal Properties Securities Act 2009</i>. It might require updating your invoices and/ or registering your interest in certain goods that you sell. See www.ppsr.gov.au • Identify alternative suppliers of critical items. 	
Review real estate leases	Annually
<i>Possible actions:</i>	
<ul style="list-style-type: none"> • Exercise options to renew your lease if your current premises meet your needs, if not, begin planning a move. 	
Review equipment leases	Annually
<i>Possible actions:</i>	
<ul style="list-style-type: none"> • Understand ownership/payout arrangements at end-of-lease and potential tax consequences. 	
Review securities pledged over your assets	Annually
<i>Possible actions:</i>	
<ul style="list-style-type: none"> • Make sure you know which of your assets is pledged as security for which loan and where a loan no longer exists, the security is removed. 	
Establish, update or review your documented policies and processes	Annually
<i>Possible actions:</i>	
<ul style="list-style-type: none"> • A well-designed policy manual has the potential to make your business more valuable and easier to run in your absence. • Use your policy manual for training and quality assurance purposes. 	
Establish, update or review the allocation of tasks to staff	Annually
<i>Possible actions:</i>	
<ul style="list-style-type: none"> • Separate record-keeping duties from duties involving the handling of cash and other assets to minimise the risk of fraud. • Check that allocations are still relevant and appropriate. 	

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Consider fraud risk	Annually
<i>Possible actions:</i>	
<ul style="list-style-type: none"> • Speak to your advisor about establishing appropriate internal controls that reduce the risk of fraud and ensure those controls are followed. 	
Review staff authority to spend money	Annually
<i>Possible actions:</i>	
<ul style="list-style-type: none"> • Review staff authorisations to ensure they are still relevant and appropriate. • For smaller businesses consider authorising all payments yourself for a short period as part of a cost reduction and quality assurance exercise. 	
Inform and educate staff about your policies	Commencement of employment
<i>Possible actions:</i>	
<ul style="list-style-type: none"> • Conduct random spot checks to both ensure compliance with your policies and to reduce the risk of fraud. 	
Review and update your disaster recovery plan	Annually
<i>Possible actions:</i>	
<ul style="list-style-type: none"> • Consider how to operate your business if there was a disruption to the supply of electricity, gas, water, internet or if you are a victim of a cyberattack etc. • Ensure staff contact details are up to date. 	
Review whether you have the licenses you need to use your software	Annually
<i>Possible actions:</i>	
<ul style="list-style-type: none"> • Ensure current versions of software are being used, there are no unauthorised copies and the number of users your licence covers is sufficient for your needs. 	
Review whether your back-ups are performed frequently and held offsite (whether in the cloud or in physical storage)	Daily/weekly
<i>Possible actions:</i>	
<ul style="list-style-type: none"> • Test whether your staff know how to restore the back-ups and that the back-ups work. 	
Review your IT staff training needs	Annually
<i>Possible actions:</i>	
<ul style="list-style-type: none"> • Appoint a 'champion' for each software product to enhance internal transfer of practical knowledge. 	
Review your cybersecurity	Annually and ongoing
<i>Possible actions:</i>	
<ul style="list-style-type: none"> • Ensure all staff are trained in what is secure online behavior. • Appoint a specific staff member to keep all staff up-to-date with cybersecurity risks. • Do regular backups and ensure the backups work. • Consider engaging an external to review your cybersecurity. • Consider taking out cybersecurity insurance. 	

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Review how intellectual property is being used in your business	Annually
<i>Possible actions:</i>	
<ul style="list-style-type: none"> • Speak to your lawyer to see if your intellectual property is adequately covered. • Renew trading names (including trademarks and business names) and domain names. 	
Review your insurances	Annually
<i>Possible actions:</i>	
<ul style="list-style-type: none"> • Does your insurance cover match your needs, for instance insurance covering assets, business interruption, loss of attraction, life insurance, income replacement, etc? • Avoid under and over-insuring. Make sure your current assets are covered by insurance and that assets you no longer own are not on your insurance policy. 	
Seek ways of reducing resources the business uses	Annually
<i>Possible actions:</i>	
<ul style="list-style-type: none"> • Seek information on how you can reduce your use of electricity, gas and water and reduce waste. • Eliminate unproductive steps or processes. 	
Review any outstanding legal disputes	At least quarterly
<i>Possible actions:</i>	
<ul style="list-style-type: none"> • Keep disputes moving along. • Consider viable ways to settle disputes promptly. 	
Determine whether you undertake activities (such as exporting) that may be eligible for a government grant	Annually
<i>Possible actions:</i>	
<ul style="list-style-type: none"> • Speak to your industry association or advisor about what grants if any, you may be eligible for and the eligibility requirements. 	