



THE ENGINE BUSINESS NEWS

Leading Holistic Business Advisors & Specialists

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Do You Feel Like You're Stuck in the Mud, or Going Around and Around the Merry-Go-Round?

Welcome to The Engine's Think Tank. © The Engine Limited

As 2024 winds down, many business owners find themselves stuck in a cycle—working hard but not seeing the growth or progress they desire. It's easy to feel like you're spinning your wheels, moving but not really getting anywhere. If this sounds familiar, it's time to shift gears and set yourself up for a powerful start to 2025. At The Engine, our **Think Tank** Business Group Coaching program is designed to help you break free from the rut and start driving your business forward with other like-minded business owners. Whether you're struggling to gain clarity on your next steps, overwhelmed by day-to-day operations, or simply need a fresh perspective, our coaching sessions provide the structure and support you need to make meaningful progress.

Why Now is the Perfect Time to Take Action : As we approach the end of the year, it's tempting to coast through the final months, waiting for January to bring new energy and opportunities. But here's the thing: the success of your 2025 starts now. The groundwork you lay in the coming weeks will determine whether you hit the ground running or spend the first quarter playing catch-up.

Our group coaching sessions are designed to:

- **Clarify Your Vision:** What do you want to achieve in 2025? Together, we'll define your goals and create a roadmap to get there.
- **Build Accountability:** With the support of a group of like-minded business owners, you'll be held accountable for taking the actions needed to move forward.
- **Unlock New Strategies:** Gain fresh insights and strategies from experienced coaches and peers who have faced similar challenges and overcome them.
- **Boost Confidence:** With a clear plan and the right support, you'll head into the new year with confidence and motivation.

Don't Wait for the New Year—Start Building Your Success Today: Imagine entering 2025 with a renewed sense of purpose, a clear plan, and the momentum to achieve your business goals. That's what our Business Group Coaching can offer you. Don't wait until January to start working on your dreams—take action now and give yourself the gift of a strong start to the new year. Ready to get unstuck and take your business to the next level? Join our next group coaching session and start building the foundation for a successful 2025.

Read more here or take action and Sign Up Today and make the commitment to invest in your business's future. Let's break the cycle of procrastination and start driving your business forward—**2025 is yours to conquer!**

Is your cash sitting in your stock??



Struggling with excess inventory and slow-moving stock can tie up valuable cash and hinder your business's profitability.

Without effective management, your stock could be draining resources and limiting your financial growth. As a business owner, finding ways to enhance profitability often involves increasing sales and reducing overhead costs. However, efficient inventory management can play an equally significant role in boosting your bottom line.

Understanding Inventory Turnover

Inventory turnover, sometimes called stock turnover, measures how often your inventory is sold and replaced over a given period. While this is commonly calculated on an annual basis, it can also be useful to assess it monthly or quarterly for more timely insights.

Tracking inventory turnover provides a clear view of your business's financial performance.

How to Calculate Inventory Turnover

To calculate your inventory turnover, use this simple formula:

Cost of Goods Sold (COGS) ÷ Average Inventory

For example:

Assume your business generates \$600,000 in sales annually and holds an average inventory value of \$300,000.

$\$600,000 \div \$300,000 = 2$

This result indicates an inventory turnover rate of 2, meaning your entire inventory was sold and replaced twice throughout the year. This suggests a strong sales performance.

In another example If your business sold \$200,000 in products over the year and maintained an average inventory of \$500,000,

$\$200,000 \div \$500,000 = 0.40$

An inventory turnover rate of 0.40 suggests that your inventory is moving slowly, which can lead to higher holding costs and capital being tied up in unsold stock.

Ideal Inventory Turnover Ratio

A healthy inventory turnover ratio generally falls between 2 and 4. A lower ratio might indicate declining sales or reduced demand, while a higher ratio usually signifies strong performance. However, an extremely high turnover rate might suggest that stock levels are too low, potentially leading to missed sales due to out-of-stock items.

The Importance of Measuring Inventory Turnover

Measuring inventory turnover is crucial for making informed business decisions. This metric serves as a key performance indicator (KPI), helping you manage and grow your business. It also provides insights into how liquid your assets are, which can be beneficial when applying for loans.

A clear understanding of your inventory levels and turnover rates aids in making strategic decisions about purchasing, stocking, and selling product.

Optimising your inventory turnover can significantly impact your business's profitability and efficiency. If you're looking to implement effective strategies and unlock the full potential of your stock, The Engine is here to help. Our team of experienced holistic business advisors are experienced in turning your inventory challenges into opportunities for growth.

We work closely with you and your team to analyse your current processes, identify areas for improvement, and develop customised solutions tailored to your specific needs. Whether it's refining your inventory management system, boosting sales of slow-moving items, or enhancing your marketing efforts, we provide the expertise and support you need to turn your stock into cash and maximise your bottom line. Don't leave your inventory management to chance. Contact The Engine today to schedule a consultation and discover how we can help you achieve greater financial success.

Moving Forward with Confidence
Contact The Engine to assist

Restructure Smartly: Plan, Shape, Succeed



Why Restructuring Isn't Just About Cutting Costs: It's About Shaping Your Business for Success

In the fast-paced world of business, restructuring often gets a bad rap. It's frequently seen as a drastic move, mainly associated with cutting costs and reducing staff. However, a well-planned restructure can be much more than that. It's an opportunity to reshape your organisation to better meet its goals, optimise performance, and create the positions necessary for future growth.

The Purpose Beyond Cost-Cutting

While cost-saving measures are sometimes necessary, they should never be the sole driver of a restructure. A more strategic approach involves looking at your entire business landscape and identifying gaps or redundancies in your current structure. Ask yourself: ***Are there roles missing that could propel the business forward? Are some departments overstaffed while others struggle to meet demand?***

Restructuring allows you to design a framework that better supports your business objectives. It's about creating positions that didn't exist before, filling them with the right talent, and positioning your business to seize new opportunities. Whether you need to introduce roles in digital transformation, customer experience, or innovation, restructuring gives you the chance to build a team that's aligned with your long-term vision.

Moving Forward with Confidence
Contact The Engine to assist

The Critical Role of Strategic Planning in Business Restructuring

Restructuring a business is no small feat. It's a process that goes far beyond simple cost-cutting measures, touching on every aspect of your organisation—from roles and responsibilities to the very core of your company's strategic direction. Given the complexity and potential impact, it's essential to approach restructuring with a well-considered plan. But what does this planning actually entail, and why is it so important?

The Necessity of Thoughtful Preparation

A successful restructure doesn't happen by chance. It requires a deep understanding of your current organisational structure, the foresight to anticipate future needs, and the ability to communicate effectively with all stakeholders involved. Rushing into a restructure without these considerations can lead to disruptions, confusion, and ultimately, failure to achieve the desired outcomes.

Before making any moves, it's crucial to take a step back and assess the bigger picture. What are the strengths and weaknesses of your current setup? Are there areas where your business is thriving and others where it's struggling? What are the gaps that need to be filled to ensure future growth? These are just a few of the many questions that need to be answered before embarking on a restructure.

However, identifying the right questions is only the beginning. The real challenge lies in developing a comprehensive plan that addresses these issues in a strategic and thoughtful manner. This plan should not only outline the steps required to implement the restructure but also consider the potential risks, resource allocation, and the impact on your team. Without such a plan, you risk making decisions that could do more harm than good.

The Importance of Expertise

While it might be tempting to handle a restructure internally, the reality is that this process often requires a level of expertise that goes beyond the day-to-day management of a business. Specialists, such as us **The Engine Limited** who are experienced in business restructuring will provide invaluable insights that may not be immediately apparent to those within the organisation. This requires a level of strategic thinking and planning that is best achieved with the support of an expert. We are also experts in the process to avoid missed steps & **ERA** claims.

Protect Your Property with Andrew de Vine



We work very closely with the Adelphi Insurance Broker team, coaching them as part of our mandate to build growth for them and Adelphi. The brokers are now more visible. We caught up with Andrew de Vine, Financial Adviser, Insurance Specialist from Adelphi Insurance Brokers last week to discuss his article on:

Shielding Your Property Investment: The Unexpected Hedge of Health Insurance

It's probably important first to understand what a 'hedge' is in the finance world. You may have been baffled by them in *The Big Short* or *The Wolf of Wall Street* but basically it's a way to protect against potential losses. For example, if you own a stock and worry that it might go down in value, you could make a "hedge" by buying something that would go up in value if the stock goes down, like an option or a different asset. It helps reduce risk, so if things don't go your way, the hedge helps offset some of the losses. A better way to think about this is like playing defence in rugby union. Imagine your team is ahead in the match, but the opposing side is known for making strong comebacks. Instead of focusing only on scoring more tries (offense), you start positioning more players to defend your line. By strengthening your defence (the hedge), you minimise the risk of the other team breaking through and scoring. Just like in rugby, a hedge in finance helps protect you from potential losses while still playing to win.

So how does health insurance protect you when you don't get any money in to meet your repayments or significantly reduce your debt? It's no secret that most of the value you build into your property portfolio is through capital gain, and this takes time to really accumulate to a meaningful value or for rent incomes to actually provide a net gain. With the fast increasing costs of medical treatments and aggressive progression of medical technology (which only appears to be compounding) the variety & effectiveness of medical treatments which can prolong and/or save lives means similar increases in medical costs. Average cardiac & spinal surgeries are in the \$80-\$100,000 range. Life saving immunotherapy drugs are somewhere between \$14,000-\$20,000/month with treatment ranges from 6months ++ on top of chemotherapy/radiotherapy & surgical expenses for cancer treatment. If someone in your family was to suffer a major health event having good health cover can be a defining feature to minimise stress and time to treatment. It can be the difference between having to sell the cars, the investments and the home to meet lifesaving treatment costs in a meaningful timeframe. Depending on your needs and strategy there are options available that can make sure that your liability for a major health outcome is limited to \$10,000 per person and ensure that your monthly health insurance bill is affordable and maintainable for life, so that when you are hit with the unexpected you don't have to liquidate assets and investments before they've had their time to shine. If you have a business or investments you want to protect or simply would like to review your existing insurances for the family to ensure you have the most optimal strategy for your needs I would love to conduct a needs analysis and review.

Andrew de Vine Financial Adviser, Insurance Specialist

Andrew's passion has always been in health & well-being. After completing degrees in exercise physiology and biomechanics, over the past 10 years, Andrew built a successful business working alongside physiotherapists, chiropractors and surgeons designing and implementing injury rehabilitation programs and high performance training. Looking for a new challenge Andrew discovered the Life, Health and Risk protection profession where his enthusiasm for meeting people, understanding their goals and needs and designing an optimal plan to meet these needs has allowed him to help more people.

Contact: @adevineains | Linktree



Please email or text me to book an appointment. There is no cost to this and the initial meeting is only 30mins. 021422813 adevine@ains.nz

Business News - Business Failures

Business failures have spiked to levels not seen since the economy was booming. What gives? - Liam Dann



By [Liam Dann](#)

Business Editor at Large - NZ Herald - 8 Sep, 2024 05:00 AM 6 mins to read

41 Comments Save Share



Business insolvencies and liquidations are on the rise. Photo / Erwin Wodicka

The NZ Herald reported:

THREE KEY FACTS

- Business insolvencies increased by 23% from the first quarter, reaching 700 in the second quarter.
- The latest BWA Insolvency Quarterly Market Report shows this is the highest since the second quarter of 2016.
- In the second quarter of 2016, GDP grew at an annual rate of 3.6%

OPINION

The number of business insolvencies has soared in the past year. Between April and June, there were 700 insolvencies reported, up 23% from the first quarter of the year and 36% higher than the same period a year ago, according to the latest BWA Insolvency Quarterly Market Report.

There were 635 liquidations in the second quarter of the year, up from 472 in the same period last year. That's not so surprising, right? It has been a tough recessionary period. The business headlines have been full of high-profile hospitality failures and construction company collapses. The BWA report also tells us this is the highest single-quarter figure since the second quarter of 2016.

Having great people to guide you in difficult waters is usually the difference in the outcome. We caught up recently with Brent Norling, Director of Award Winning Norling Law - a leader in insolvency & litigation and commercial dispute. Brent is a trusted good friend to our Director, Catherine Cooke.

Norling Law has a number of key downloadable books worthy of download and read.

1. Insolvency - What you need to know - [here](#) &
2. Business Hibernation [here](#).

We also got some great videos from Brent. This first one is if you think you are insolvent. Click the video to watch.

If you think your business could be insolvent, here is what you need to do. Spoiler, don't put your head in the sand, consider these options:



And if you are owed money this video is for you. Click the video below to watch.

If you are owed money, here is what you should be doing:



Norling Law are:

Good people. Great Lawyers.

They meet client objectives with a focus on excellence.

Norling Law offer a Free Legal Consultation.

Book [here](#). (www.norlinglaw.co.nz)

When facing insolvency or being owed money, seeking expert advice is crucial to protect your interests and navigate the complex legal landscape.

The Engine Expert Insight Hub:

Advocacy & Resolution Support with The Engine



Having an independent and experienced advocate on your side can be a game-changer when navigating complex business disputes or negotiations. With over 10 years of experience advocating for business owners, **The Engine** brings a wealth of expertise to ensure your rights and interests are vigorously defended. Our independent perspective allows us to assess situations objectively, free from the emotional and operational ties that might cloud your judgment. We leverage our deep understanding of legal nuances and industry best practices to turn daunting challenges into manageable ones, helping you achieve fair and favourable resolutions efficiently. Trust in **The Engine's** proven track record to protect your business and guide you through even the most challenging circumstances.

Case Study: Resolving a Misfit HR & Health and Safety Solution

Client Background: A medium-sized manufacturing company, ABC Manufacturing Ltd., recognised the need to streamline their HR and Health and Safety processes. With growing compliance requirements, they decided to invest in a comprehensive solution to manage these critical functions more effectively. After thorough research, they purchased a well-promoted HR & Health and Safety solution from a third-party provider.

The Challenge: Upon implementation, ABC Manufacturing quickly realised that the solution was not fit for purpose. It lacked several key features that were critical to their operations and was not user-friendly. Despite their attempts to work with the provider to address these issues, the solution remained inadequate. The situation worsened when the provider began harassing ABC Manufacturing with demands for ongoing payments, even after the company expressed their dissatisfaction and intention to cancel.

The Engine's Involvement: Feeling cornered and uncertain of their rights, ABC Manufacturing reached out to The Engine for assistance. We immediately assessed the situation and discovered that the company had attempted to cancel the contract within the legally allowed 'cooling off' period. However, the provider continued to pressure them for payment, disregarding their request for cancellation.

Solution: The Engine took swift action on behalf of ABC Manufacturing. We advocated for the company's rights, emphasising that the cancellation was made within the 'cooling off' period and was therefore valid and legally binding. Additionally, we gathered and presented evidence that ABC Manufacturing had to purchase a different HR & Health and Safety solution from another provider to meet their needs, further supporting the argument that the initial solution was not fit for purpose.

Outcome: Through persistent negotiation and strong advocacy, The Engine successfully resolved the situation. The original provider ceased their harassment and acknowledged the validity of the cancellation. ABC Manufacturing was relieved of any further payment obligations to the provider. The company was able to focus on their new solution, which better suited their needs, without the burden of the previous agreement.

Conclusion: This case highlights the importance of understanding consumer rights and having a trusted partner like The Engine to navigate complex disputes. Our proactive approach not only protected ABC Manufacturing from unnecessary financial loss but also ensured they could operate efficiently with a solution that truly met their needs.

Need help with a dispute. Reach out to us [here](#) at The Engine Limited.

Top Tips from The Engine's Specialist Provider Community

Top tip from



URLICH MILNE
LAWYERS

We have recently come across an issue for businesses either hiring or supplying goods on consignment for sale. The business supplying the goods needs to register their interest in the goods on the Personal Property Securities Register (PPSR).

If they don't and the company they are supplying goes into liquidation then any secured party may have priority rights over those goods. This happens despite ownership in the goods remaining with the business hiring or supplying the goods. So if you are in the business of hiring or supplying goods on consignment, make sure you get legal advice around protecting your ownership interest.

View our full library of resources and tips from our Provider network for helpful information on a range of business topics.

[Full Resource Library](#)



UNLEASH YOUR BUSINESS POTENTIAL
New Zealand's Best
Holistic Business Advisors
and Specialist Provider Community

***Business advisory, consulting, education
& governance for growth-focused
business owners***



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