

# Brokerwise



News about issues that affect your business

Issue Two 2020

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## Do you really know who you're dealing with?

As a consumer or business owner, it is vital to ensure that your interests are protected, when dealing with other businesses. There are a number of steps you can take to protect your interests.

### 1. Ask for Information

What is their ACN?

Since 1991, every company in Australia has been issued with an ACN. This is a unique identifier, as the ACN cannot apply to more than one company.

What is their ABN?

An ABN is needed to register for GST.

What is their business name registration number?

Since 2012, all business names are registered by ASIC and the holder of a business name must hold an ABN. Each registered business name has an individual number.

### 2. Verify the Information

Once you have the ACN, ABN or business name registration number, you can check its registration, find out who holds the business name and find out who the directors are, by searching ASIC's registers at ASIC Connect. ASIC's Money Smart website enables you to check basic facts about the people or companies you're dealing with.

You can purchase a company extract at ASIC Connect, which will provide current and historical information about a company, including the officeholders, addresses, and in some cases, the shareholders of the company.

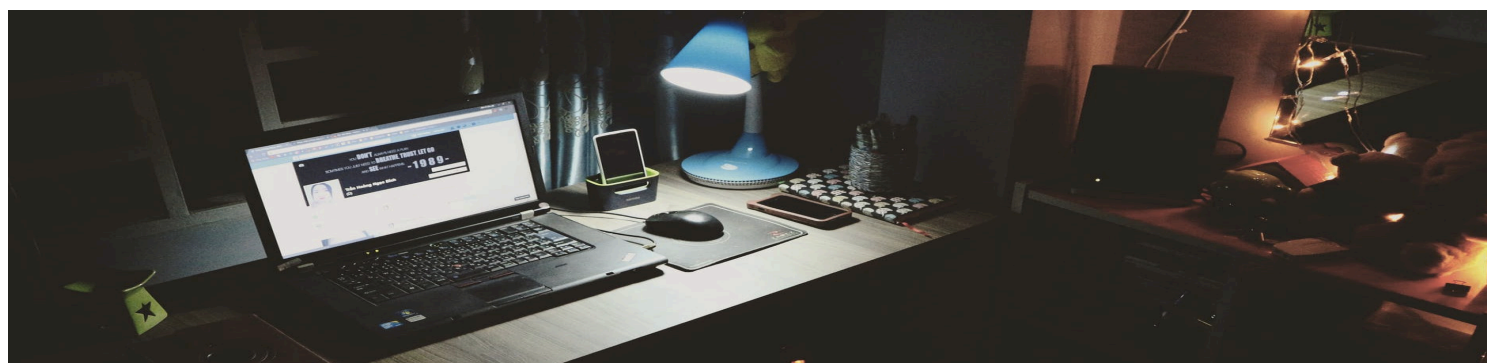
Further information is available through an ASIC information broker.

### 3. Use the Information

You can use your search results to answer a number of questions, which will help you to assess how much risk may be involved in dealing with the business.

- How long has it been in business?
- What's its current status?...Registered, de-registered or under external administration.
- Who are the directors?
- Are the directors disqualified?
- What is the company's share capital?
- What is the company's financial situation?
- Does the activities of the business require a licence?
- What is their credit rating?

So, now you're in a better position to know who you're dealing with.



## Workplace culture is the driver for new recruits

Hiring for attitude and culture has become the new hash tag. The shift has gone from hiring someone who has a certain skill set to finding someone who will fit perfectly within your Workplace Culture.

But what is Workplace Culture?

Workplace Culture is defined as the character and personality of your organisation. It's what makes your organisation unique and is the sum of its values, traditions, beliefs, interactions, behaviours, and attitudes.

An employer who has been hiring for 20 years is used to looking at a position that needs to be filled within their office, thinking about what skills would be needed to do said position and up goes the ad on Seek. But times are changing and the new generation of workers that are coming through are expanding their horizons, they are making career decisions because they want to "try something new". Gone are the days when someone stays in a role for 10+ years because they just want something solid.

The empowerment that is given to the younger generation to dream big and achieve is strong and influential.

What does this mean for business owners? Less experienced candidates applying but more candidates who are hungry to learn new skills and experience something new. This means a business owner who once in an interview would have had a check list of skills to go through to ensure all the relevant criteria was met and then based the decision on hiring them on that list.

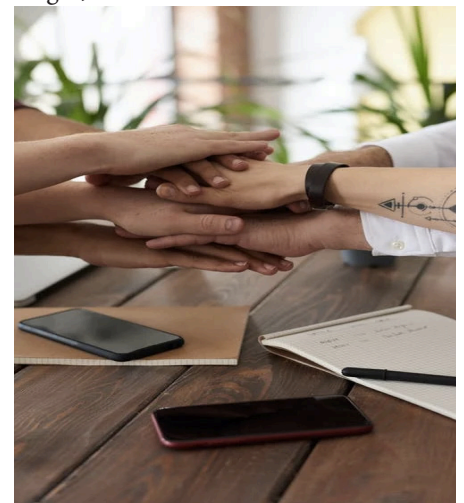
Now, the first interview is a coffee.

An informal chat just to see what you are like as a person, how you converse, how you present yourself and most importantly- would you fit in with the team. Once that chat is out of the way comes the second interview where the obligatory HR questions come out, tell us your strengths and weaknesses etc. Hiring someone who doesn't necessarily have the skills, but has that positive attitude to learn, that will motivate and drive the rest of your team because of their enthusiasm is clearly better than hiring someone with bad habits

and a bad attitude but has every box you need ticked off from a skills perspective.

So look into your Workplace Culture and see who shares your company vision, who wants to move forward with you and ensure the people who you bring on board also have that drive and determination to work with you to move forward.

Hiring for culture over skill is a must in this changing world because skills can be taught, attitude can't.



## Reputation Risk

Damage to brand and reputation remains one of the top ranked risks identified by businesses in Australia and overseas, according to a recent Global Risk Management Survey.

Warren Buffett famously said that it takes 20 years to build a reputation and five minutes to ruin it. If you have any doubt about the effect of reputation on the bottom line, look no further than Volkswagen. Since the emissions scandal hit in 2015, Volkswagen's market cap has declined by 30%, equivalent to over 20 billion Euros.

With this in mind, what might you do differently to protect your reputation and

the reputation of your business?

There's no question that reputation has an economic value, so taking steps to protect and manage it makes good business sense. These should include:

1. Invest time and money in building a good reputation now – don't wait until a crisis. A good reputation doesn't happen overnight.
  2. Make reputational risk management a top organisational priority
  3. Proactively manage key reputational risks – this means relying on a good plan that considers all the things that could go wrong, and what could be done to mitigate the possible risks.
- At a time when we are hostage to a

24 hour news cycle and social media, crisis can spread globally within minutes, which means the response must be immediate and cohesive.

4. Develop a structured system for reputational risk reporting and evaluation.
5. Integrate reputation management into all business processes.

Five things that can make or break an organisation's reputation:

- Your values
- Your people
- Social media
- Leadership
- Risk management structures

***"A reputation once broken may possibly be repaired, but the world will always keep their eyes on the spot where the crack was."***

*- Joseph Hall*



## Brokers add real value at the time of a claim

The key roles of a broker are to help identify and manage risks on your behalf, and to arrange and place appropriate cover.

However, the true value of a broker is never fully appreciated or understood until you have a claim. Many businesses fail following a significant loss usually due to two things inadequate or inappropriate cover prior to the loss and a lack of knowledgeable assistance to deal with an insurance claim.

After a major loss, many people feel as though they are on their own when trying to deal with an insurance company, unless they have a good insurance broker to help them through the process.

From lodging the claim to negotiating settlement, a broker won't stop working for you until your claim is finalised.

Generally, an insurance broker will act as an advocate for their clients. However, some brokers may have an arrangement with an insurance company that changes this relationship.

If this is the case your broker will have told you this when you bought the policy. In these instances, the broker is acting on behalf of the insurance company.

In all other instances an insurance broker is acting on your behalf and should ensure the best possible outcome for you.

This is achieved by:

- Monitoring each claim to minimise disruption and ensure efficient handling of documentation.
- Applying their experience and expertise in successful claim negotiations with Insurers.

- Ensuring their clients are regularly updated on the progress of all claims.

Your broker will maintain close contact with you and your insurer from the time of the reported claim through to settlement.

The process adopted for claims management should include:

- Notification - prompt notification of claims to relevant insurers
- Investigation and Negotiation-Assistance in negotiating with underwriters and third parties
- Settlement - Processing of all due payments.

Contact us to find out exactly what claim service is available to you.



## Importance of Internal Auditing



Given the steep rise in employee fraud and embezzlement, the importance of Internal Business Auditing has never been more vital. Whilst there are insurance policies, such as Management Liability & Crime, that provide Indemnity for some of the

exposures; the reputational damage, together with the disruption to businesses makes Internal Business Auditing, an important part of good business acumen.

Open and involved internal auditing makes all management and staff fully aware of the emphasis placed on this process by the organisation. This will then result in cultural changes that should flow into "open" and "transparent" processes where staff and management alike are protected.

It's imperative that audit results are shared not only with management but together with all business stakeholders so they are aware of not only the processes but also the findings and required actions to amend or correct same.

The results of all audits should be recorded so that they are easily comparable to future audits and ensure that required corrective measures have been completed. In an ideal world, quarterly or bi-annual auditing greatly increases the ability to discover and

then rectify any shortfalls discovered.

It's important to not only audit for financial purposes but to also include other areas that require strict compliance. Maintaining updated registers, such as, breach; complaints; data breach help to assist the auditor. Other areas that should be considered are:

Company outsourcing procedures; succession planning, business continuity; annual leave and other staff related functions.

Any company that operates a trust, auditing, both internal and external are mandatory. Strong audit processes must include:

- Checking of banking and financial statements
- Trust bank account reconciliation
- Joint signatory compliance
- Debtors and creditors continued analysis.

Whilst auditing doesn't 100% guarantee no problems arise it greatly reduces the chances of prolonged and extensive illegal activities remaining undiscovered.

## Australia's Most Stolen Goods

### 1. Meat:

Packed meat, such as steak, lamb and bacon stolen from supermarkets or deli's are expensive items in high demand. These items are eagerly being sold nowadays online, door-to-door or in pubs and clubs.

### 2. Razor Blades:

Razor blades are small expensive items that are in regular demand. They are commonly pinched from supermarkets while at the self-serve checkouts or slipped in handbags or pockets.

### 3. Alcohol:

Whisky, champagne, gin and other alcoholic products are being snatched mostly by an underage or prohibited market.

### 4. Beauty Cosmetics:

Cosmetics, makeup and lipsticks are regularly stolen for personal use or as gifts. The containers are often small and easily concealed inside handbags or pockets. Sun-cream, skin-cream, hair treatment and shampoo are other products usually stolen as well.

### 5. Dairy Products

Cheese may be stolen for commercial purposes and as prices go up, it has stirred some market-panic, in which has caused it to be a significantly desirable product.

### 6. Personal Hygiene:

Branded underarm deodorants are popular items to steal and have usually been shoplifted in bulk.

### 7. Batteries:

Batteries are small, expensive items in regular demand and usually pinched in Supermarkets.

### 8. Clothing:

Accessories include scarves, handbags, purses, and other small and expensive things that

are easily sold online or in Buy, Swap or Sell stores.

### 9. Coffee:

Coffee is an expensive item in regular demand and may be stolen for personal use or re-sale for the commercial market. For tea drinkers, ordinary packet tea is often so cheap that there is usually no real gain from stealing it.

### 10. Baby clothes:

Babies are growing up and fast! Parents need larger outfits every so often. These are also items regularly caught being sold online.

### Jeans:

The switch to more casual forms of dress makes jeans very popular in all age groups. Often stolen in batches they have been found to sell online or in pop up stores.

### 11. Perfume and fragrance:

Similar to beauty cosmetic, perfumes are easily concealed products that are slid in the handbags or pockets. They are costly products which causes them to be desirable to Shop-lifters

### 12. Small electrical goods and accessories:

Electric toothbrushes, smart speakers, iPads, headphones, Smartphones are usually taken at places with no robust security devices that can easily be set off.

### 13. Sport fashion:

With the Crisis at hand, the rising consumer demand of sporting fashion has given the active market an almighty uproar. Shoplifters most commonly take branded items, sports shirts and sporting shoes.

### 14. Boxed sets DVD and CDs:

Not much of an ideal household item nowadays with modern technology cancelling out most of these items, however, boxed memorabilia have become a collectable item.

Be sure. Before you insure!

Ask your CQIB broker about...

### Commercial and Retail Insurance

- Business Property
- Business Interruption incl Loss of Rent
- Liability
- Burglary and Money
- Glass Breakage
- Machinery Breakdown
- Computer
- Goods in Transit
- Tax Audit
- Motor
- Contract Works
- Commercial Strata

### Liability

- Public and Products Liability
- Professional Indemnity
- Management Liability
- Directors and Officers
- Employment Practices Liability
- Statutory Liability
- Cyber Risk

### Premium Funding

### Private and Domestic Insurance

- Home and Contents
- Car, Caravan, Boat and Trailer
- Travel
- Residential Strata

### Life, Disability and Partnership

- Life/Accident and Illness
- Term Life
- Long Term Disability/Income Protection
- Key Man
- Superannuation

The CQIB represents over 57 Queensland firms employing nearly 400 staff and placing in excess of \$500,000,000 in annual premiums. The CQIB charter is to maintain the level of professionalism of its members by the sharing of knowledge, information and ideas.



For more information visit  
[www.cqib.org.au](http://www.cqib.org.au)

The articles in Brokerwise are provided as information only. They are not general or insurance broking or legal advice. It is important that you seek advice relevant to your particular circumstance.

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## Wisewords

"The greatest leader is not necessarily the one who does the greatest things. He is the one that gets the people to do the greatest things."

- Ronald Reagan

"Try not to become a man of success. Rather become a man of value."

- Albert Einstein

"All progress takes place outside the comfort zone."

- Michael John Bobak