



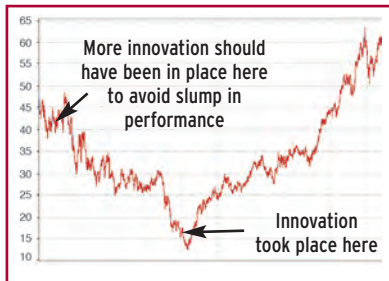
### JUNE 2008

## INNOVATION

A personal trainer will tell you that your fitness level never remains constant. It is either improving or getting worse at any given time. The health of your business is exactly the same. You may have the best business in Australia, but if you are not improving it, it will begin to slide backwards while your competitors, who are improving, close in on you, and eventually move past you. The key to guaranteeing future prosperity for your business is innovation. Innovation is a hot management topic at the moment, so much so that the newly elected federal government have created a Department of Innovation to drive economic growth.

### Case Study

A good case study for innovation is McDonalds. The chart below shows their share price over the last ten years. In 2003-4 obesity had become a massive issue and the film Supersize Me was a box office smash. For the first time in their history McDonalds began to move backwards announcing store closures and seeing a sharp drop in growth and profitability, the share price plummeted, bottoming out at \$13, having previously been as high as \$50.



In response to this McDonald's innovated. Led by an Australian, Charlie Bell, the company ran their first ever simultaneous worldwide marketing campaign, I'm Lovin' it. They introduced healthier choices for both children and adults and began to put more investment into changing the look of their restaurants to become more sophisticated. The outcome of their innovation is clear, the share price has now climbed to \$63 and the future again looks assured.

However, there is an argument that McDonald's innovated too late. The best time to put the new ideas into action would have been before they lost millions of dollars in profit and business value. If they had been able to better gauge customer opinion and take the risk to innovate

at an earlier stage then perhaps this massive slump could have been avoided. If you own or work in a business that is experiencing steady growth, high profits and smooth operations the McDonalds' story is very relevant.

**THE INNOVATION FORMULA**  
Ideas + Action = Improvement

### How to Innovate

Creating a culture of innovation in your business is a great way to ensure that continuous improvement is driven by your team and your customers. A culture of innovation relies on the presence of trust, diversity, creativity, spontaneity and energy to drive individuals to create new products, services or renew existing systems and processes. They have to know that you are happy for them to take the action to turn a great idea into an improvement.

Consumers are subjected to more information and choices than ever before and therefore their preferences are changing faster as a result. It is crucial to have systems in place to monitor customer satisfaction and find out what they want. You should also keep an eye on what other businesses are doing; your next idea can come from anywhere!

### FINAL THOUGHTS ON INNOVATION:

- All businesses have a life cycle, the Australian average is estimated at ten years. If you do not innovate in this time you may reach the end of your business' life cycle.
- Innovation starts with an idea, all ideas start in the mind of a human being.
- Innovation involves risking failure, however not innovating guarantees failure.
- An idea without action is just an idea!

For more information try visiting [www.innovation.gov.au](http://www.innovation.gov.au).

## RESURG GROUP

**60 SECONDS WITH... DARYL M'CRAE from AGRITECH RURAL**



Darryl (centre) with business partners Jason Pitts (left) and Graeme Schmidt receive the 2008 CRT Member of the Year Award for the second time in three years.

**Favorite Destination:** Like to get away, but great to get back to the Wimmera.

**Favorite Food:** Steak

**Someone I Admire:** My family & work colleagues

**Something I want to see:** My 80th Birthday

**How do you motivate your staff?**

- Good strong leadership
- Good Communication
- Appreciation of effort
- Financial reward
- Involvement in business strategies and planning

**Do you operate a staff incentive scheme?**

Yes, we allocate a pool, based on business performance to be distributed on both a team and an individual performance basis.

**How long have you been in a Performance Group:** 3 years

**How do you benefit from being in a Performance Group?**

- Networking ideas
- Being able to talk about my business to others
- Gets me away out of the business, to work on the business
- To look at other businesses, how they operate, how they value add, and how they compare to our model.

## BUSINESS BOOK OF THE MONTH

### CATS: The Nine Lives of Innovation

Resurg Rating: ★★★★★☆ Author: Steve Lundin

Not a day goes by without another article in a journal or newspaper about the importance of innovation. However a lot of the focus is often aimed at those whose job is to solely innovate such as research and development professionals. This new book by Steve Lundin, bestselling author of FISH!, is far more relevant to the small business owner. He believes that an organization needs create a culture of innovation by to encouraging every individual to innovate. This book provides a framework (the nine lives) that can be used to develop anyone into a successful innovator.

Given it's objective it is no surprise that CATS is an easy, accessible read that is full of everyday language and interesting stories.



## MID MEETING CONFERENCE CALLS



It's that time of the year when many of you will be attending a mid meeting conference call in the coming weeks. We have

had positive feedback on the calls with many participants saying they enjoy the chance to catch up with their group without leaving their business. Below are some key points regarding the conference calls:

- Unless we state otherwise all conference call times are listed in AEST. (AEDT in daylight saving months)

- We can supply you with a toll free dial in number from almost anywhere in the world so if you are going to be travelling please remember you can still take part if you'd like to.
- The phone number to dial in from Australia is 1800 200 232. The pin code can vary and will be listed in the monthly newsletter and emailed to you before the call.

## WELCOME

Congratulations to the following businesses who recently joined a Performance Group:

- Jason Beard - Island View Beach Resort, Narooma, NSW
- Cathy Elliot - Lifeplan Travel, Adelaide, SA
- Jan Siaosi - Travel on the Parade, Norwood, SA
- Michael Coates - Coates Mitre 10, Lithgow, NSW

## PERFORMANCE GROUP CALENDAR MAY 2008

3rd & 4th June	RSL VIC1	Clayton, VIC
5th & 6th June	Harvey World Travel VIC2	Melbourne, VIC
12th June	ROI Workshop	Carlton, VIC
16th June	Onesteel EC Conference Call	Conference Call, 11am 1800 200 232, 219294#
18th June	RSL VIC1 Conference Call	Conference Call, 12noon 1800 200 232, 219294#
19th June	Travelscene Amex Express NSWQLD Conference Call	Conference Call, 11am 1800 200 232, 219294#
20th June	M10 NSW2 Conference Call	Conference Call, 11am 1800 200 232, 219294#
23rd June	TSAX VIC2 Conference Call	Conference Call, 11am 1800 200 232, 219294#
24th June	TSAX NSW1 Conference Call	Conference Call, 11am 1800 200 232, 219294#
7th & 8th July	ROI Workshop	Perth, WA

## GOING COCO!

BIG4 Performance Group member Cairns Coconut Holiday Resort has continued to dominate the National Tourism Awards taking the 2007 award for Best Tourist and Caravan Park. This is the fourth time they have won the award. The second meeting of the BIG4 Group 2 Performance Group was held at the resort in May. The photo below shows park owner Geoff Olholm giving the group a guided tour of the 28 acre site, which included highlights such as the world's biggest Jumping Pillow, an outdoor cinema, 18 holes of mini golf, a café, mini mart and even refueling facilities.



Special Guests: Performance Group members Martin & Michelle Keating from Cairns Business & Leisure Travel paid a brief visit to the park to talk to the group about their experiences in both business in general and Performance Groups. They were both were impressed and extremely surprised at both the extensive range of facilities and high level of accommodation on offer. "We really had no idea that BIG4 holiday Parks such as this offer such high quality accommodation combined with unbeatable family activities," said Martin.

## BOARDROOM AVAILABLE!



Did you know as a Performance Group member you qualify for discounted rates to hire the Resurg Boardroom next time you are in Sydney? We are situated in Zetland, 15 mins drive from Sydney Airport and CBD.

Facilities include data projector, whiteboard, limited free parking and catering can also be arranged to meet your needs. The room seats 10 however, we can arrange to seat more if needed. For more information please contact Courtney on 02 9319 0522