



## From the Team:

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## THE BASICS OF BUSINESS PLANS

Jane Weaver from the **Public Relations Institute of Southern Africa (PRISA)** recently presented the following at a Prisa breakfast held in Windhoek. Essential information indeed for without communication, a company cannot meet its public.

## IT'S NOT PR, IT'S COMMUNICATION

**Communication** – the most important tool in the public relations arsenal

### Definition of PR

Public Relations is defined as the relationships that organisations build and maintain with their publics. These relationships are constantly under pressure because of changes and innovations in the political, social, economic and technological environments.

### Definition of Communication

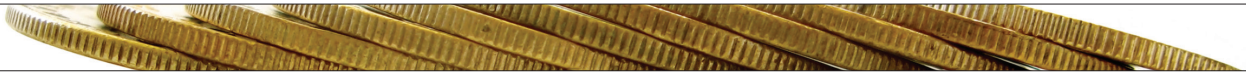
The exchange of thoughts, messages, information as by speech, signals, writing or behaviour; Interpersonal rapport; The art and technique of using words effectively to impart information or ideas; The activity of communicating; the activity of conveying information.

**Given that communication is not only a PR tool, but also the core activity performed by any PR, Marketing or Communication professional, it behooves us to recall the seven Cs of communication: -**

1. **Credibility** – Communication starts with a climate of belief. Receivers must have confidence in the sender and high regard for the sources competence on the subject.

2. **Context** – The communication programme must square with the realities of the environment. The context must allow for participation and playback, it must confirm, not contradict the message.
3. **Content** – The message must have meaning for receivers and must be compatible with their value system. It must be relevant to the receiver's situation. Content determines the audience.
4. **Clarity** – Put the message in simple terms. Words must have the same meaning for the sender and the receiver. An organisation needs to speak with one voice.
5. **Continuity and Consistency** – Communication is an unending process. It requires repetition to achieve penetration, learning and persuasion. The story must be consistent.
6. **Channels** – Always use respected and established channels that suit the audience and the information.
7. **Capability of the audience** – Take into account the levels of understanding of the audience. Communication is most effective when the receivers have to put in very little effort to understand the message. Remember your audience's availability; habits; reading ability and prior knowledge.

Communication and PR action are not the ends - they are the means to the end with the ends (goals) of public relations being the outcomes spelled out in the programme goals and objectives.



## Basic Accounting

### Assets and Liabilities

Balance sheet accounts are the assets and liabilities. When we set up your chart of accounts, there will be separate sections and numbering schemes for the assets and liabilities that make up the balance sheet.

A quick reminder: Increase assets with a debit and decrease them with a credit. Increase liabilities with a credit and decrease them with a debit.

### Identifying assets

Simply stated, assets are those things of value that your company owns. The cash in your bank account is an asset. So is the company car you drive. Assets are the objects, rights and claims owned by and

having value for the firm.

Since your company has a right to the future collection of money, accounts receivable are an asset-probably a major asset, at that. The machinery on your production floor is also an asset. If your firm owns real estate or other tangible property, those are considered assets as well. If you were a bank, the loans you make would be considered assets since they represent a right of future collection. There may also be intangible assets owned by your company. Patents, the exclusive right to use a trademark, and goodwill from the acquisition of another company are such intangible assets. Their value can be somewhat hazy.

Generally, the value of intangible assets is whatever both parties agree to when the assets are created. In the case of a patent, the value is often linked to its development costs. Goodwill is often the difference between the purchase price of a company and the value of the assets acquired (net of accumulated depreciation).

*Next month we will look at liabilities.*

## More on Marketing: The Key Brand Benefit (KBB)

### What is the KBB?

It is a compelling, clear-cut and distinctive 'thing' that your brand needs to say to the consumer. You need to cut it down to the bone to find the KBB of your brand. The KBB will, if effective, drive the consumer to consider your brand above your competitor's.

- **What is the reason to believe?**
- **Your product or brand must have certain aspects about it, whether it is heritage or even, cutting edge and new, that support the KBB and brings with it credibility.**
- **What is your brand's personality?**
- **Use two or three adjectives to describe your product or brand.**
- **Consider the consumer's insights...**
- **What is it that the consumer believes or needs? What is the consumer's desire?**