

**Supplementary Submission to the
Inquiry into Community Broadcasting**

This article was prepared by the Small Business Counselling service for their website and other promotion on FM98.5 Shepparton Victoria. It raises the ability of community radio to provide a professional service to the local community and also operate as a financially viable business..

Radio station tunes into its own needs.

By Goulburn Valley Community Radio Inc (FM 98.5 – The Pulse of the Valleys) General Manager Graeme Macartney, who has rejuvenated his operation with the help of Small Business *Counselling* Service (SBCS) mentors Terry Manwaring and Srinivasiyan.

FM 98.5 started in 1989 to provide quality programs for the local Shepparton community, which was not being adequately served by the mainstream media.

We now have four full-time employees, three part-time employees and 70 volunteers including 30 on-air presenters, 30 sports commentators and 10 others in areas like office administration and the library.

Our main customers are local businesses, mainly retailers and wholesalers, the listening public and local institutions.

The station's quality programs are relevant to the needs of the local community and are provided by a committed team of professional volunteers. This gives us an edge over our competition.

However I felt I could use some help to improve the business side of the operation, and found the Small Business Counselling Service (SBCS) via the Victorian Business Centre in Shepparton.

I was matched with SBCS counsellors Terry Manwaring and Srinivasiyan.

The SBCS is a non-government, non-profit organization of volunteer expert counselors who give their time and experience to help small businesses.

Terry has extensive business lending experience with National Australia Bank and an intricate knowledge of all types of small businesses. His major strengths lie in the financial analysis of businesses and preparing and negotiating loan applications.

Srini is a retired IBM information technology expert with experience developing strategic business plans. For more than 32 years he worked in various sales, marketing and management roles.

I initially used the SBCS to help with refinancing and restructuring the borrowings against our freehold building, and later to improve business performance based on updated strategic and tactical plans, especially cash flow positions through increasing advertising revenue.

We had 10 sessions under the Business Acceleration Program from October 2002 until mid-2005. Counselling is ongoing via periodic reviews and monitoring sessions.

The personal visits were most effective. We also had quite an amount of phone and email contact to review things like draft business and financial plans.

Terry and Srini particularly helped with:

*Cash flow projections required to support a finance application to refinance the loan against the property.

*Preparation of a business plan, marketing plan and monthly financial plan.

*Drafting a format for an executive business summary of financial and sales performance for monthly Board presentations.

The business now has a more structured approach and a more meaningful set of performance measurement criteria, which has enabled more effective board governance.

While FM 98.5 is a not-for-profit incorporated Association, net profit has increased from \$12,342 in the year to June 30, 2002, to an expected \$15,775 in the year to June 30, 2006 – an increase of almost 28 per cent.

The number of new customers also increased by 150 per cent over the same four-year period, and the number of paid staff rose from three six.

Advertising (sponsorship) revenue, which is the main income and profit driver of the station, has in the same period risen from \$107,000 to an expected \$228,000 – an increase of 113 per cent for the four years or an average 28 per cent per year.

This increased advertising revenue is largely attributed to an increased focus on advertising, recruitment of dedicated sales staff and to an effective marketing plan.

The business can now focus more closely on how it performs and on more keenly growing its revenue base through improved advertising revenue and increased penetration of the Shepparton and surrounding area radio market.

Through improved management controls and reporting, the Board is also now more aware of governance issues.

We have an improved capacity for orderly and planned work based on business priorities, and streamlined financial and sales reporting procedures minimise “surprises” to the Board. **Proper governance is essential for all business and in particular community based businesses**

As a result the work environment has become happier and less stressful. This means our team of dedicated professional voluntary workers can get on with what they do best.

We are also able to constantly update equipment, which is now “state of the art”. A building extension is underway, at a cost of \$40,000, to provide more office and equipment space. This is largely funded by a City of Greater Shepparton grant.

Without the SBCS I’d still be “fighting fires” on a day to day basis, especially with cash flow issues which leave little time or the unstressed frame of mind to focus on strategic management control of the business.

FM 98.5 is now considered in the community to be a financially viable, vibrant community-based business.

SBCS Inc. is an independent and non-profit association of experienced business counsellors, mentors and coaches who provide assistance to small businesses throughout Victoria.

SBCS: Level 5, 55 Collins Street, Melbourne VIC 3000

Information about the SBCS Business Acceleration Program can be found at www.sbcs.org.au

The Department of Innovation, Industry & Regional Development facilitates access by businesses to this service through the Victorian Business Line - T. 132 215 - or through its network of Victorian Business Centres in metropolitan, regional and rural Victoria.

