



October 2011

The IHBMA – serving your business needs

Why the IHBMA? Because we represent YOU without any conflict of interest. Yes, all companies in the Hardware, Building Materials, and DIY sectors at Retail, Supply and Manufacturing levels. In the words of a former President, if the IHBMA didn't exist, someone would have to invent it.

Now, more than ever, you need the support of a strong, united and forward looking Association. Whether it's representation to Government, Networking with colleagues, Training and educating your staff or Improving your business practices, the IHBMA has answers for you.

Sometimes Government doesn't understand the downstream effects of action or inaction they undertake. The role of your Association is to inform their decision-making process for a better outcome for all concerned.

Currently your Association is lobbying Government in relation to Prompt Payment Legislation. A recent directive from Europe means that the Irish Government will have to update and strengthen the current Prompt Payment Legislation. How they undertake this process will be crucial to your business in the immediate future. That is why the Association is working now on your behalf.

You will have recently received a copy of the IHBMA Credit Guide. This again, allows members to benchmark and improve their business systems in an area that needs new thinking and expertise from outside our sector.

Retail Planning is again going to become a big issue because of the EU/IMF funding for the Government. Your Association needs to make a strong and coherent case on the effect any change to the current Retail Planning Guidelines would have on our sector, and indeed all sectors.

The IHBMA is part of the Skillnets training network to access and deliver specific and targeted training when required for members. The quality of our Sales Techniques and Customer Service as well as the Merchandising and Customer Experience will be vital for our business to thrive and prosper.

We need to communicate with each other and share information. With this in mind, your Association has developed a new website – www.ihbma.ie – that will allow members to contact each other and seek information and advice from the IHBMA directly, but also from the community that makes up the Association.

Many networking events during the year allows member companies to come together and share experiences in a positive non-threatening way that has always been the hallmark of our sector.

The IHBMA is almost totally funded by membership subscriptions, so when your subscription invoice arrives, please support your trade association and encourage other colleagues and friends in the sector to join. Support your trade association now, so that when you need it, we can support you.



IHBMA launch Credit Management Guide

The Irish Hardware & Building Materials Association have launched a Credit Management Guide for members. The guide is designed to be a book of reference for all those involved in offering credit and also a step by step guide for those who wish to develop best practice in this area.

Author Declan Flood, aka the Credit Coach (www.icmt.ie) introduces the document by saying that "it will guide you through the creation of new accounts and the management of existing accounts. It will point out the information you should get and what you should do with it when you have it". He also goes on to say "It will give you suggestions on obtaining security and how to reduce your exposure to late paying customers and the possibility of bad debts".

The six step approach outlined in this guide follows the acronym 'ATTACK' – Assessment, Terms & conditions, Teamwork, Administration, Collection, Key performance indicators.

Declan Flood is no stranger to members of the Association, having presented several Credit Management Seminars and workshops over the last number of years. He is a very passionate practitioner of procedures and policies, but also has the benefit of being able to introduce the process to users at all levels.

Declan is very clear on the effectiveness of this guide when he says "For this guide to work you must be clear that the collection of your money is a very important part of your business. You must be committed to doing something about it – this guide will show you how".

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The guide is presented by the IHBMA and very kindly sponsored by Stubbs Gazette. Hard copies are available to members and a download is also available from the IHBMA website – www.ihbma.ie. Further information on forthcoming credit management courses around the country from Jim Copeland at the IHBMA office: 01-2980969.

Credit Management Guide for Irish Hardware and Building Materials Association

Prepared by:



In Association with



Tackling the 'tourist' shoplifter to reduce shrinkage

Recent reports from around the country suggest that individuals are travelling to engage in shoplifting. Merchants have good quality pictures of individuals that have been identified by other merchants as having caused them a problem in relation to shoplifting.

The advent of very good quality images from digital CCTV has made identification of these individuals a lot easier and local Gardai are willing to engage positively in taking action, especially where images of the individual leaving the premises and getting into their car are available and licence plate numbers can be captured.

Taken as a whole, merchants have to manage the whole area of shrinkage (intended sales income that is not, and cannot be realised). This can be broken down into two main areas – Malicious which is external theft, internal theft and inter company fraud and Non Malicious, which is spoilage (pricing errors), damage (delivery errors), and data errors (scanning errors).

In terms of preventing theft from people who enter and exit your main doors, here is recent research from the USA, outlining how merchants can take five steps to address the area of external shoplifting.

1. Consider theft prevention as part of the workload of every employee and staff member. Avoid situations where only one person or a minimum of staff are in the outlet to watch the cash register and the door.
2. Put high value easy-to-steal items behind the counter or in a locked case. While making it more difficult to steal, realise it also makes it more difficult to sell! Be sure to have assistance nearby with instructions to offer to get products for any customer interested in making a purchase.
3. A tidy store with good lines of sight will help employees keep an eye on your goods. Any blind corners should be eliminated with the use of mirrors.
4. Strictly monitor policies such as checking bags and packaging brought into your store and require receipts for returns, refunds, while destroying discarded receipts immediately.

5. Keep a watchful and friendly eye out for your fellow retailers. Shop lifters will move along the street or shopping area. Have a network of your fellow retailers established and feed information back and forth as required. We all know that external theft occurs in a lot of ways from all kinds of people who come through our doors. Unfortunately you cannot recognise shoplifters from how they look.

There are amateur and professional shoplifters. Both sets typically work in pairs or groups and will attempt to distract your employees while helping themselves to the products on the shelves. Train your staff about what to do should they encounter a theft as it is taking place. Maybe introduce a code name for suspected shop lifters in the store as well as an actual stealing incident.

When an incident occurs, have plans in place and continually reinforce training of all staff members. If someone is seen taking something, be very careful how you approach that person. Other merchants have used the ploy of asking them “may I ring that up for you?” when approaching a suspicious person, while remaining calm and professional. Assume that a misunderstanding has taken place. Treat the suspect in a polite, yet firm and professional manner to avoid slander, false arrest or discrimination. Have plans in place to determine when and who calls the Garda if necessary, and clearly have a uniform plan in place that is applied fairly for determining when to prosecute as against simply getting your goods back.

You need to keep vigilance in this area, have a clear plan and a consistent communication with staff and customers. This will help to make your shop less attractive to thieves and keep merchandise out of the wrong hands.

Further information from IHBMA at 01-2980969

Investing in your pension for future protection

In the first of a two part article Liam Kennedy explores the importance of investing for the future, the need to review on an ongoing basis, related tax planning opportunities and the importance of ongoing advice throughout.

The value of investing for the future cannot be overstated, particularly when there are still valuable tax reliefs available. And please – do not be put off by the apparent noise elsewhere. This still represents one of the most exciting investment options you can make.

This article has particular relevance to those who:

- Have an existing pension fund even those who may no longer contribute!
- Are concerned about investment markets
- Are concerned about the security of their investments.

Aside from that it is also about providing you with options – options for when you choose to abandon work. In other words it gives you the means by which you can ensure access to continued income when required.

So whether you are

- contributing to an existing plan or
- no longer contributing
 - for instance you may have stopped paying into your plan,
 - you may still have benefits in a previous employer's scheme, or
 - you may have what is known as a Personal Retirement Bond (also known as a Buy Out Bond)
- it makes sense to have this very important investment reviewed on an ongoing basis.

Steps to a successful outcome

1. Make Use of the Available Tax Reliefs for Pension Contributions
2. Select The Most Appropriate Investments for Your Needs
3. Review on an Annual Basis
 - to take account of changes in personal circumstances, future expectations and legislation
4. Maximise Your Maturity Benefits

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4. Maximise Your Maturity Benefits

A dedicated Independent Advisor will make it easy for you. Think of this person like your own personal financial coach who will

- look at your own unique situation,
- identify your ambitions, as well as any concerns you may have and
- prescribe a plan which is customised around your needs.

And just like a personal coach he or she will be available throughout the relationship to provide guidance, reassurance and options to help you achieve the optimum outcome.

If you are in any way uneasy about your pension plan, then simply have it reviewed. What's more this review will not cost you. It will however inform you, advise you of options and help manage the best possible outcome for you.

You have nothing to lose and everything to gain by becoming better informed and more at ease about your pension.

Liam Kennedy is an independent advisor, specialising in pensions and investments. He can be contacted on 087 2588895 or email lkpenaudit@hotmail.com

