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| **Dr Keith N. Cleland, BA, MA, PhD, Dip Ed.(Tertiary), FCPA, MACE**  **Currently** Professor and Head, Financial Management Department, IBR School of Executive Management, Steinbeis University Berlin. **\***  Dr Keith N. Cleland  Professor Dr Keith Cleland’s background includes seagoing as a cadet and navigating officer, consulting with an international consulting group, full professor and Head of Departments of Accounting and Business Studies at three universities, chairman of private and public companies and co-founder of the International Christian Chambers of Commerce.  For the past twenty-five years, he has actively consulted with the accounting profession and their business clients, helping identify and provide solutions for underlying business problems, which led to the crystallisation of TARI® software currently installed in numerous accounting practices and adopted by numerous businesses, small and large, with turnovers ranging from $250,000 to $12,000,000,000+. |

**Trevor Watters, B.Bus (Accty), CPA**

Moved from a banking background to grow a CPA Public Practice around business clients from manufacturing, service, contracting and retail sectors.



Developed and sold ‘TaxPrep’ in 1980 - the first Australian Income Tax Preparation software.

As Technical co-director of Focus Based Management Pty. Ltd., Trevor was instrumental in developing TARI® related software to help business advisers and their clients apply the findings flowing from the research undertaken by Dr Cleland, which was taking place at the coal-face of business.

His software became a key tool in speedily identifying and eliminating the key obstacles to an improved bottom line. Businesses experiencing difficulties and winning only 1 in 16 quotes found they were now winning 1 in 4 quotes; businesses putting 25% on their jobs to cover profit and never ending up with more than 5%, found themselves achieving profits they could never have imagined. And not just manufacturing and service sectors, distributors and retailers also shared in a new way of looking at their businesses seeing change for the better within a matter of weeks.

Trevor supervised support and upgrades for more than 750 accounting practices in Australia and overseas, and conducted introductory and advanced workshops in management advisory techniques.

Other interests include Baseball Umpiring, having been President of the NSW Baseball Umpires Association Inc. for 7 years and an accredited ABF Umpire Instructor.

**Comments by Managers**

“In a tough retail market the TARI® approach has provided a simple and clear focus, on operating activity and financials, that has helped ensure design, production and marketing deliver what is required to ensure our profitability and future success.”

**T…… CEO of a long-established up-market UK furniture manufacturer.**

“Movement of profitability analysis to the invoice level basis provides management with on-line tools for benchmarking and productivity control. Combined with appropriate IT solution, it lets management identify wrong as well as outstanding performance at the moment of activity happen.”

**A…… Fin Director of a major consulting group in respect of a wholesale/retail chain with $12 billion in sales and 70,000 employees.**

“The main value that I have obtained from the last course is consciousness of great importance and necessity to have clear and accurate means of timely feedback for decision-making. My recommendation is that existing reporting system could be more informative if mechanism of TARI® benchmarking was used widely in all reporting information.

Direct link between price, overheads and productivity is evident from invoice analysis that confirms previous recommendations that the company can boost its productivity and gain profit.

The real help for my company connected with the assignment is that now I try to build a new system of control in my department using internal benchmarking method mentioned above.”

**A…… Senior Manager with Microsoft**

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“…it gives great input for managerial decision, for creating a sales plan with more specific indicators for the sales department, making it possible to focus on the sales more likely to reach given objectives.

I decided to redesign the whole sales process to be more closely allied to company objectives. Such redesign will also be dedicated to the reports, which sales create for management.”

**O…… (Internet Service Provider)**

“I was staggered by the first part of the work, when comparing two invoices of a large commercial job and a private house, I got a result, that wholesale was better than retail, making more profit even at considerable discounts on the volume of sales.

The given work showed how far my working activity in the company has not been effective. Many things which were earlier considered useless (such as weekly and accumulative reports) became clearer to me as to their purposeful use.”

**I…… CEO Engineering Divn of Plastic Building and Heating Products**

“… I am working as a Finance and Administration manager. This module was devoted to the part of finance I thought I know best of all. But this module opened my eyes to other sides of cost accounting. From my everyday business life, the subject is very interesting to be able to see, how sometimes seemingly small decision could influence the total performance of big companies.”

**M…… Multi National Cosmetic distribution**

“Up to now we have had only formal management accounting systems. The assignment shows how it is possible to implement performance control reports in order to evaluate managers' performance.

The previous books I read on the subject were overloaded with information and difficult to understand. Now I can see the woods through the trees very clearly…”

**S…… CFO. Shipping Containers in and out of a major port.**

The most interesting was the introduction to the TARI® technique. This approach was completely new compared to the current methodology for the Group of calculating the so-called net contribution based on our ‘add-on’ way to raw materials via transformation costs, etc., all the way to the final price formation.

“With the current TARI® approach it is possible to see the difference in the contribution of each customer, the time and efforts invested in each, and arrive at a situation when we would be able to assess and create an ‘ideal’ customer. For instance, Customer B is #3 biggest account, but his prices can be low or we are giving too many commercial incentives to him, also wasting too much time, that as the result we arrive at a 0.69€ rate which is almost half of what we actually want to achieve, according to the calculations. At the same time, we don't invest that much time in small Customer D, although by devoting our time to him, we get a quite optimistic 1.28€ rate.

“The further use of TARI® applications will be of great value not only while planning the internal extrusion activities of our company, but also for sales managers providing advice to our customers – the fabricators who feel the acute need to improve performance in their workshops and increase productivity within the framework of their existing assets, to an ever-greater degree.”

**Y…… Manager of a national branch of a European Group manufacturing windows**

“I consider TARI an important tool for improving profitability. It has great importance for me and for the company, because it gives clear vision of connection between pricing and productivity. Today the company will look at the process of pricing from the new angle. For me personally, the concept gives a new angle of vision when making decisions.”

**K…… Manager, Ship chandlers Group**

“Benefits from this concept are difficult to overestimate. For me, economist by education the TARI approach was absolute revelation. It became clear that the reporting mechanism of Company is not perfect and should be improved. And my recommendations to management concerning quotation of services and improving reporting mechanism are now being applied in practice.”

**N…… Deputy Finance Director, Shipping and Trucking Transport**

“At the start, I was very sceptical about implementation of the TARI technology to my business. As long as I read about working hours, goods, manufacturing and so on, I was more and more frustrating. Could I apply this to my web-site? Is this tool more powerful than what I’ve already implemented to monitor business productivity?”

“It takes a little time to resolve this puzzle. Firstly, I decided how I will apply the analysis to traffic on the website. Then I decided which part of the website should be analysed, since it has incoming and outgoing flows (and they also can be grouped). As I continued working on this approach, I discovered that more and more dimensions of business can be analysed by this tool.”

“Finally, I chose what part should be analysed and what data should be used and it revealed some interesting things. First of all, it was easy to do. I put this report into our ERP system and took a look at the live data for current period of time. I’ve noted that it has long tail of ‘null’ invoices. I corrected our rating system to cut off that long tail and you cannot believe how surprised I was! I can immediately increase my profit for 12%. This is amazing how fast I got the results and how small were my actions to do that. I can already see which parts of the company I can apply the method.”

**K…… CEO, Search Engine Organisation (IT) Company**

I began to see that managerial accounting could be much simpler than having a balanced score card together with other financial reports which are not easy readable with all the costs and unclear mathematical relationships for those who are not familiar with finance and accounting.”

“Moreover, I have learned that it is important how company set its targets. TARI® was very new for my understanding but easy to get familiar with. The approach is way less confusing than regular managerial accounting. It requires information that is measurable and accessible for managers. It gives valuable information for decision making and takes as little as one day effort.”

“Personally, I now have a new understanding of what I am working for and what should be my financial sales targets. It will help me a lot in my personal selling approach.”

**P…… Consultant Executive Search Group**

“I believe Keith's work will one day be regarded as a landmark contribution to business owners and managers around the world…and I hope you will find the success that I have found, by applying his concepts to your organization.”

**Ronen Day, Chartered Engineer, MBA (LBS), MD, Fine Tubes Ltd, UK**, *previously senior consultant with PA Consulting Group, a leading international management consultancy.*

**Comments by Accountants/Advisors**

“Through the urging of a client, we were invited to a presentation by Dr Keith Cleland. At his presentation, Dr Cleland spoke about the concept of TARI. The concept struck a cord and as a result we decided to use this simple tool in the practice.

Our results using TARI have already improved the average hourly rate from $98 to $135. It is so simple yet has had such a profound impact. Every fee we raise and quote we prepare now has a TARI of $135 per hour. The most relevant aspect is we have been successful with every quote and have not had one query on our fees.

There is however one negative. I have asked myself why I didn't use this technique years ago. Approximately 17 years ago Dr Cleland spent two days with me assessing my practice and discussed the concept. I didn't implement it because I thought I knew better. How wrong I was. That one decision has cost a fortune.

Thank you, Dr Cleland.”

**John Bennetts CPA, Gold Coast, Queensland, Australia.**

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“I am delighted to provide you with evidence of the benefits obtained and to strongly endorse TARI®.

A good example of the benefits flowing is shown through two retailers with three shops each turning over about $4 million and when we took over, each losing between $50,000 and $150,000 a year.

Following a split in the family, two shops were taken over by one part of the family and the remaining shop held by the other part of the family. While we remained as accountants for both, only the family holding the single shop adopted TARI®.

Within two years that shop produced a profit of $200,000 per annum and has continued to increase. The other two shops continued to experience losses of up to $100,000 per annum. The difference in results was largely due to the information generated through TARI®. Definitely a win-win situation.”

**Richard Vincent, FCA, Robert M.C. Brown Vincent Partners, Sydney 2067, Australia.**

“I can certainly see that there would be some doubters in believing that a simple management of a few key indicators can cause a major turnaround in business, but as I have mentioned to you, this has been achieved in the past and is a daily part of my practice…

There are many cases I can relate which range from corner stores to workshops making elevators and coal train wagons all of which are thriving on the simple aspects of TARI®.”

**Paul M Cooper, CPA, Brisbane 4110, Australia.**

“I wonder how we ever coped before TARI® became available…it has been a boon to our practice”.

**D.E. Harris, FCPA, Harris Boscia P/L, Melbourne 3130, Australia.**

“As you know we have been using TARI® for the benefit of clients for close on three years now. The simple but powerful concepts underlying this approach to management accounting contributes to a deeper comprehension of the key factors affecting the bottom line.

By way of example, one of our clients had traded for many years but never met the profit expectations of its owners… TARI® helped us analyse the company business into its separate components…and with their focus fixed directly on the key factor in each department, noticeable improvement occurred, with profitability in the year exceeding budget by 50%…

The bank is so delighted with the turnaround that it last week approved a new facility of $1m for expansion…”

**Michael Williams FCPA, Balcam Williams, Melbourne 3004, Australia.**

“As you are aware, I have been involved with TARI® for a period of approximately two years and have had some outstanding successes using the TARI® philosophy and its accompanying software.”

**Tom Moon, FCA, T.W. Moon & Company, Sydney 2209, Australia.**

“After a successful year, thanks to the TARI® process, we are targeting much higher levels of revenues and profits from our existing business. In addition, we are now providing the new TARI® advisory service to our clients who will generate new revenue streams and fulfilling work for our employees.”

**Connor Warin Chartered Accountants, Waltham Abbey, UK.**

“We started running a manufacturing client in January last year, and got the hourly recovery from just over £28 to an average of £32.60 for the year. In this year, to date (29 Aug.), the recovery is £37.96 and productivity has improved from 63.8% last year to a remarkable 81.82% this year.

As a result, there's a very good bottom line and a very happy bank manager. An offshoot is that the Revenue decided that they were not happy with the accounts, but we managed to persuade the Inspector to visit our client, when we were able to run through the monitoring process and the results, which were being achieved.

The result was that a potential investigation was immediately cancelled and we were thanked by the Inspector for our efforts in ensuring that the tax bill would be increasing!”

**Mike Broderick, Chartered Accountant, York, UK.**

“A fabricating client had rung up losses of $166,158 the previous financial year and a further loss of $80,000 for the seven months ending January this year.

We got him onto the TARI® program and within a matter of weeks he was into profit. In eight months February through September (with one week to go) he has recorded a net profit of $138,481.

As requested, we asked him to give his reasons for the changes and here they are: confidence when he quotes because he can compare the quoted, contribution with his benchmark; speed that he gets weekly results – each Friday after closing on Wednesday; and speed that he gets monthly results – 4 days instead of 6 weeks.”

**Gary Morcom & Associates, CPA's, Albert Park, Victoria, Australia.**

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“When we first suggested to this client that we could help, he made it very plain that as we knew nothing about jewellery, he didn't think we could!

However, he agreed to participate. Some months later, to our complete surprise, he stands up at a client seminar and sings our praises!

In response to your request, we asked him for his comments. He said he liked having a yardstick by which to gauge performance on a weekly basis. The information gained has assisted in developing product mix, formulating pricing policy, obtaining feedback on the effectiveness of marketing activities and given him a better understanding of the cycles impacting the business.”

**Poole & Partners, Mooloolaba, Qld., Australia.**

“The software is simple, flexible and easy to implement. The reports are concise and focused, which facilitate improved communication between the client and his advisors. The monitoring facilities are ideal in assisting accountants complete consulting assignment to banks in respect of business reviews or conducting administrations.

We have found clients have been confused by traditional financial statements, particularly understanding the relationship between profit and cash flow. Assisting clients understand this very basic relationship has improved relationships with their banks.

We are pleased with the results, particularly in the facilitation of closer relationships with our clients.”

**W.A. Sexton, Senior Manager, Cairns Office, PWC, Qld., Australia.**

“TARI® has completely changed the way we look at our own business and those of our clients.

“Firstly, about our clients. As you will be aware about 2/3 of our income is derived from work done for primary producers and we have about 80 business clients ranging from small building contractors to a handful of clients with a turnover greater than $1million.

“I originally had reservations as to whether we would be able to apply the concepts, but the results are far greater than our most optimistic expectations. When I decided to use TARI® I made a commitment to give it a fair go. I used it even though I knew that some of the time would not be recoverable initially and there was pressure to do compliance work. Looking back, that time was very well spent. I now look at all business clients (large or small) with a TARI® outlook. This means that now, a typical client interview would be 20% discussing tax matters and 80% business management issues. Previously the interview would be tax oriented with a few sympathetic mumbles about how the recession is affecting everyone. Now we can do a meaningful diagnosis of the 2 or 3 key factors that affect clients' profitability.

“Often when these are clarified for a client they change the way they look at their business. They will then work through their own solutions. Other times we will make 2 or 3 suggestions to improve the key indicator performance. Then they will take up the initiative and implement further measures.

“I have a client with an agricultural repair business. This business was largely subject to fluctuations in the surrounding farming area. The neighbouring tire business was being sold and it would dovetail into his existing business. We did an analysis of both businesses. Then we did planning for both - in both businesses the target profitability could be increased by nearly 2/3 by improving activity and contribution indicators in each business. A consolidated planning report was then printed out. He then took these to his bank manager. The bank manager's response was "this is the best budget submission I have received from an accountant". He immediately granted an increase in the overdraft to meet working capital needs and was confident funding for the tire business would be available. The banker commented that he could see how the improved results were built up and could see that the increases were credible…”

**Jeffrey A Gill, CPA, South Australia**

Dear Keith,

I met Katia. Cordial greetings from her. She became a fanatic of your teaching now too. She is completely enthused about TARI® and will introduce this now to the European pump company where she is now working as a business development manager. For me her comments were quite interesting: it is like a "depot" effect that TARI has. I thought you might rejoice.

**Dr Andreas Kelling, Principal IBR MBA**