



## NEWSLETTER UPDATE SEPTEMBER 2013

### NEW CONTRACTS and NEW DELIVERY FEE INCREASES

*News Corp* Australia

The Newsagents Association of NSW & ACT (NANA) announced on September 9 2013 that delivery fees for metropolitan newsagents would rise by up to 23.9% and 52.2% increase for regional Newsagents.

This increase will be effectively introduced March 17, 2014 even though the new three year contracts start later this month. The reason for this *News Corp* Australia explains is that this will give newsagents a chance to be secure not only in the knowledge of a solid contract but one with new increases on the way. They, *News Corp* have announced that Retail rates will also be revised soon.

All of this is very positive stuff not only for the incumbent but also for the prospective purchaser. The prospective purchaser can now plan the purchase knowing just what is in store and adjust their cash flow to accommodate extra earnings.

The contracts will also be a bonus, as having already commenced, will mean stability first, with known confirmed increases to come.

This brings a great start to purchasing a distribution/retail newsagency however what about a retail only newsagency in a shopping centre. Which should I choose? Which is the best to buy?

The obvious answer is: **the one that makes the most money** giving the best return on the investment, considering the amount of work you have to do. Is there anything else?

Yes, lifestyle- which type of newsagency will give me this as well as making money?

Well, this is the most important question when one is buying, for ALL newsagencies and small businesses are different.

Once you have chosen one or are looking at a few newsagencies that you think suit your needs, BPB can explain to you what the differences are and what they entail. However before you do this it is always a good idea to create some planning around your family, business partner or both . the needs of children, what time is schooling? Do they need to be driven to or picked up from school, what chores suit what partners, Admin, practical work, early mornings and other roles. These very basic requirements will help you in deciding the type and location of your newsagency and whether you will allocate some pleasure time on a weekly basis for Golf, Bowls or just time out. You may decide this is the business for you but do not want to work as the present owners do. How much in extra wages will you need to pay to obtain this?

This is what I call **intrinsic value**. It's about buying a newsagency for the longer haul and pacing yourself so you and your family can enjoy it.

Well, it's over to you now - look carefully for what you want and don't forget that we are here for any questions you may like to have answered.

Cheers Graeme Day