



Yellow talk

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We are pleased to publish our second issue of Yellow Talk newsletter. After positive feedback from our clients following our first newsletter, we hope that the articles in this newsletter will once again be of interest to you and your business. Following your requests from the survey we conducted after the first issue of Yellow Talk, we have published the following articles:

Chris Porter tells us how nowadays it is vital for a business to build and maintain a website. **Alexia Farrugia Zrinzo** makes us aware of the importance of having a condominium administrator within the common areas of commercial premises. **Josef Busuttill** writes about credit management and its significance in order for a business to make more profitable sales.

Kevin-James Fenech gives us tips for a successful interviewing process. Finally, **Odette Vella** informs the readers about the retailer's obligations to give their customers what they are legally entitled to.

We do our best to keep the topics vast and explore several different areas of expertise. However, we urge you to tell us what you think and what you would like to see in our newsletter. Your feedback and suggestions are very important to us, as we aim to make this newsletter as useful to you as possible.

Enjoy this issue, and we are sure that after reading this newsletter, you will be looking forward to read the next one in November.



Need a new website?

An ever increasing number of people are nowadays kicking off their shopping transactions from a search engine. Finding your business' contact details is a start, but giving them an engaging experience around your products or services is even better! Be it a simple showcase of what your business does or a fully-fledged eCommerce platform, building and owning a website should not be a painful experience.

Today there is a myriad of web development and design companies offering a vast range of solutions, however you should carefully consider the following points before taking any decision.

To reduce running costs, always ask for an easy to use CMS (Content Management System) or a web publishing platform. Such platforms allow you to go online in a short time since most of the basic functionalities required from a web site are generally available out of the box. Furthermore they also give you a high level of independence from web developers when it comes to adding or modifying content. Managing your own site is always cheaper than submitting a change request each and every time you need to add or modify something. There are several CMSs around, some of which are free and others which come with a price tag. Wordpress, Drupal and Joomla are just a few popular tools which come free of charge. Moreover, they have a large developer community behind them providing free plugins to cater for diverse business needs and more. Furthermore you may also find several free design themes (or templates) to adopt on your site. Such platforms are built with extensibility and styling in mind. Therefore if you

want to create your own corporate look and feel any good design company or individual should be able to meet your requirements. This would however increase your initial costs. How about e-commerce? Once again, if your site is built on a good platform you can go for free plugins or modules which offer great capabilities at a low cost. Virtuemart is an example of a free e-commerce extension designed for Joomla. However other alternatives exist, such as OpenCart, Magento Community Edition and Zen Cart, which are an all-in-one eCommerce platform and CMS. They are also open source and free to use and extend.

So how much should a website cost? Although there are no fixed prices, you need to make sure that you're not paying for stuff which is otherwise available for free. If you ask for an open source CMS, you'll generally need to pay for the time spent on designing and developing the site's main areas. Search Engine Optimization (SEO) is another important exercise required to improve your rankings on search engines for selected keywords. This should however be budgeted before signing any contract. A yearly fee for reliable web hosting and domain registration may be necessary.

One final consideration: finding a good company to help you in the initial design and setup is important, but finding a long-term partner is even more essential. Building the site is the easier step; making it visible to online audiences, providing an engaging experience while maintaining its popularity is what contributes towards a successful site.

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A group of people in business attire are gathered around a table, looking at a laptop screen. The image is overlaid with a semi-transparent orange filter. The people appear to be in a meeting or collaborative work environment.

Condominium Management

Ten years after the coming into force of the Condominium Act, the concept of condominium management is still unclear to many. Some may associate the role of the administrator in a condominium with a basic janitor service, yet, it takes much more skill and knowledge to provide good condominium management.

The Administrator must primarily be a people person. Getting people to decide together on the manner in which common parts are administered in a condominium is no easy task. Everyone would like to see his proposal chosen, yet once a decision is taken, the administrator will have to carry-out the decision even if some still disagree.

Running a condominium today is becoming a more costly task primarily because the expenses involved are always on the increase. Legal obligations related to health and safety, to which I will refer to later on, entail an expense to be carried by the various owners.

The partition of expenses can be the reason for litigation within a condominium, particularly when regulations have not been set at the inception of the condominium. The administrator must act and serve as a means to assist the various owners to come to an agreement on the manner in which expenses are apportioned.

With more health and safety legislation, the administrator must have the necessary qualities to ensure that the standards established by law are fully complied and respected. In the case of commercial premises, the legal obligations are greater than in the case of residential units, particularly when the common parts are considered as a place of work.

It is to be pointed out that the administrator in the condominium is personally responsible to ensure that the standards established by law are fully respected.

The administrator must also ensure that works are carried out in accordance to the best possible standards. The administrator has a fiduciary position particularly when receiving funds pertaining to the various owners, which funds must be spent in the best interest of the parties involved.

It is thus imperative that the administrator prepares detailed budgets and presents all possible solutions to the owners so that the funds collected are spent efficiently.

The administrator must render account of the manner in which the condominium is administered and must have all the necessary resources to ensure that all parties pay up their contribution –in various cases, this is not an easy task.

A quick overview of the administrator's role in condominium management clearly indicates that it is far more reaching than simply ensuring a janitor service.

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The Name of the Game is to Ensure Sound Cash Flow

Today's business environment is characterised by homogenous products and services with little scope for differentiation, supply exceeding demand, more knowledgeable customers, free market economy, e-commerce, highly competitive markets, high cost of doing business, and lower profit margins. Customer loyalty is something of the past and it has become a hard nut to crack to maintain market share, let alone increase it!

Nevertheless, this aggressive and hostile environment poses new challenges for the successful business players. Innovation, change management and customer-focus have in fact become today's business mantra.

People in business should think positive. They should strive to satisfy, if not exceed, the ever changing customers' needs and expectations in order to gain and sustain competitive advantage in their respective markets. And what are customers demanding and expecting?

Customers are demanding high quality products, good customer service, lower prices and advantageous credit terms. Therefore, business strategists and managers should continuously invest in their employees to focus on customers and this also applies to the people involved in credit. Senior managers tend to forget that:

- On average, 40 % of the total assets of a business' Balance Sheet represents Accounts Receivable or 'Debtors' as they are usually called.
- After cash in bank, Accounts Receivable is the most liquid asset, only one step away from money in hand.
- 80% - 90% of business-to-business transactions involve payment at a later date, hence credit.

The role of the people involved in credit in today's reality is far from crunching numbers and pestering customers for payment. The credit function should be a people's function. They should know their customers and should endeavour to build good customer

relationship.

The job of the credit practitioners is not to reject business but to find a way to say "yes" to 'profitable sales'. Credit should no longer be considered a privilege to customers but a way of securing 'profitable sales' that would otherwise be lost, and no business affords to lose 'profitable sales' in this day and age. Hence, synergy between the sales and the credit teams should exist - the sales people triggers the sale and the credit team completes it by agreeing competitive and profitable credit terms to ensure sound cash flow and long-term sustainable profit to the business.

But credit does not come for free. Money costs money. Businesses should invest to grant credit to their customers. Besides, credit does pose an element of risk; that of being paid late and also that of bad debt. Therefore, the credit function should have access to accurate and reliable information at the minimum cost possible in order to take profitable credit decisions in a proactive manner.

Once information is available and the credit worthiness analysis of the customer is done, a written agreement should be signed by both the customer and the supplier. This would ensure that the conditions of sale and the agreed credit terms are clearly understood. Existing customers should also be monitored on an ongoing process to keep them current and buying, whilst ensuring sound cash flow – the lifeblood of business. But all this requires competent and skilled credit staff.

This revolutionary vision of the credit function can only be successful if business owners invest in the proper credit management staff training and in forming part of a credit group which provides the proper credit management tools, as well as accurate and reliable information system, at the minimum cost possible.

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The Interview

Before holding an interview, employers should involve recruitment experts. Should this not be possible, below are some tips that can help you with the interview process.

Interview Preparation

Interviews of a certain level should be conducted by at least three specific persons: the CEO or the General Manager, the relevant function manager and the recruitment expert. Copies of the CV and of the covering letter are to be made available to all three interviewers, who should ensure that the documents are reviewed thoroughly beforehand.

Final Interview Preparation

Decide who is going to ask the questions and how the interviewees will be rated (what criteria will you use to assess them?). Determine beforehand who will chair the interview and take the lead. It is also very important to ensure that all interviewers are aware of all legal obligations: you cannot for instance ask a female applicant if she is married and has children or if she intends to have children. This can constitute grounds of interview discrimination!

During the Interview

When interviewing, try to limit the number and frequency of closed questions. Closed questions lead to an unhelpful 'yes' or 'no' whereas open questions reveal enough to probe and discover. Ask interviewees to give practical examples of their competency or skills, ask them how they would react in a hypothetical situation, and ask them to evaluate themselves. These three types of questions will reveal a lot about your candidates.

Do not restrict your questions to the CV. The CV is what the applicant wants you to know! Keep in mind that a CV is probably just as valuable for what it says, as it is for what it does not say. Assess immediately after the interview when the memory is still fresh, and discuss with your co-interviewers if needed.

After the Interview

Do hold second or even third interviews with the shortlisted candidates, and make sure that you do not reject the top three interviewees until the preferred one has signed on the dotted line. Moreover, do show the place of work-warts and all-to the selected applicant.

Finally, keep in mind that interviewers tend to be influenced by the following: body language, pitch/tone of voice, and the language. Moreover, always encourage interviewees to ask you questions at the end of the interview. This on its own can sometimes reveal a lot more about your interviewee than some of the standard (routine) questions the interviewers tend to ask.

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Consumer Rights and Traders' Obligations

Thanks to continuous information and education campaigns, Maltese consumers are becoming more and more aware of their legal rights and are better empowered to demand what the law grants them. It is also in the best interest of traders to be aware and adhere to their legal obligations. Apart from the fact that it is good business practice to give consumers what legally they are entitled to, doing so could also save traders from negative word-of-mouth advertising.

According to the Consumer Affairs Act traders should deliver goods which are in conformity with the description and specifications in the contract of sale. The goods consumers buy should comply with the description given by the trader and possess the characteristics, features, and qualities promised or shown through a sample. Sold goods should also be fit for the particular purpose for which the consumer requires them and which he had actually informed the trader during the sale. Besides this, goods should also be fit for all their normal purposes.

When any of these criteria is not met, traders are legally liable to provide a remedy. The legal remedies available to consumers are either to have the goods repaired or replaced, or else a part or full refund of the money paid for the product. However, before having the right to request a money refund, consumers are first entitled to require the trader to either repair or replace the non-conforming goods. Should these remedies result insufficient or, if opted for, will cause a significant inconvenience to consumers, then consumers may legally request their money back. These remedies are available for two years from the date of delivery.

However, upon noticing a problem with the goods, consumers are obliged to notify the trader in writing within two months.

Consumer law also stipulates that if the goods are less than six months old when a fault is discovered, consumers do not have to prove that the goods were faulty at the time of sale. It is assumed that they were faulty. If the trader does not agree, it is up to him to prove otherwise.

Retailers should always bear in mind that legally, as the final sellers, it is their responsibility, and not the manufacturer's, to provide redress when goods go wrong. The manufacturer is only liable if the purchased product results unsafe and consumers are either injured or have suffered material damages due to the defective product.

Traders have no legal obligations when a consumer changes his mind or makes a wrong buying decision. However, out of goodwill traders may still try and help their customers and offer them the possibility to exchange wrongly chosen items. Offering a credit note or money refund is obviously even better. Consumers appreciate and value good customer care and not only they become loyal customers but also spread the word and encourage friends and families to purchase from customer friendly establishments.

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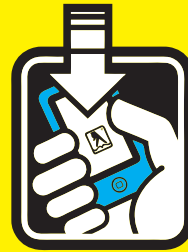
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ASK A QUESTION

Our aim at **Yellow Pages (Malta) Ltd** is to help you improve your business by helping you become more aware about various issues, which are of interest to SME's in today's business world. If you would like to read or know more about a specific topic of interest to you or your business, we will write about it and include it in one of our newsletters.

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