

PROFIT MATTERS

Helping you realise your full profit potential



INSIDE:

- Conducting your business' health-check
- How to improve your SEO ranking
- Negotiating contracts with your suppliers
- Communicating effectively with your remote team
- And more.

Keeping your business afloat during an economic downturn

Sustaining your business during an economic downturn comes with financial and managerial pressures you may never have had to deal with before.

The following are four key measures you can implement to protect and maintain your business during an economic downturn.

Monitor your cash flow

Diligently tracking your cash flow can help you assess your financial situation and prevent you from spending more than you can afford and going into debt. This can be achieved by:

- A cash flow statement, which tracks the money flowing in and out of your business. This is often used to plan for payment cycles or trends where additional cash is needed. It is a good idea to keep track of government regulations that may affect your cash flow further, e.g. COVID-19 lockdown dates, tax and cash flow assistance schemes.
- A profit and loss statement, which lists your sales and expenses. This tells you how much profit you're making and how much you're losing to help you develop sales targets and pricing points for your products or services.
- Cash flow forecasting, which tells you if your business will be able to sustain itself on current cash flow estimates. This will help you avoid cash shortages by allowing you to track whether your spending is on target, plan for upcoming cash gaps, and develop budgets.

Manage your debt

One way to effectively manage your debt is to keep a prioritised list of your creditors to avoid forgetting about payments and being penalised and fined. Prioritisation can be done in order of due dates, debt

size, or interest rates. If you are struggling to meet your debt obligations, contact your creditors as soon as possible to discuss a repayment plan and avoid late fees.

To reduce future debts, negotiate expenses and payment plans with your suppliers, contractors and landlords to see if any reductions are available.

Create a business continuity plan

A business continuity plan is designed to prepare your business for a crisis such as COVID-19 and continue to operate afterwards. Business continuity plans typically include:

- A risk management plan that analyses the risks to your business and strategies that can be used to minimise their impacts.
- A business impact analysis that outlines the business' activities and strategies essential to its survival.
- An incident response plan containing the essential information you will need to respond immediately before and after a crisis (e.g. details of when to use the plan, communication plans, a contact list).
- A recovery plan that outlines the steps needed to get your business running smoothly again after the crisis occurs.

Network

Networking can help you understand how other businesses are dealing with the economic downturn, as well as act as a support system during difficult times. Actively sharing common problems and solutions will put things into perspective, and may provide you with useful management tips for your own business. Networking may also lead you to new opportunities, customers, employees, business partners and suppliers that other businesses have had positive experiences with, at minimal cost to you.



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Communicating effectively with your remote team

Businesses who have made a recent shift from face-to-face work to working remotely may be putting productivity and quality at risk if they don't adapt and maintain effective communication.

Just because you no longer see your staff face-to-face doesn't mean that your communication



has to suffer. Here are some ways you can keep your remote team on track.

Have a communication plan

Whether it's having a set schedule for work calls and virtual meetings, or requiring employees to provide reports or updates at certain times, having a clear communication plan can help keep your staff on track with their work and with each other. It's a good idea to keep a record of this in writing by using tools such as shared calendars or reminders.

Define goals and roles

Outline project goals and objectives to ensure that that everyone is working towards the same result. Delegate roles and obligations to each team member to avoid confusion and overlap. This will keep the team on track despite not physically seeing what each other is up to.

Utilise messaging tools

Messages are a great way to communicate with your staff and keep a written account of tasks and ideas. If your business relies on teamwork, then having group messaging chats are essential to keeping everyone on the same page, otherwise,

miscommunication and confusion are huge risks. This will also give employees the opportunity to chat amongst each other in a group setting as they would normally do in the workplace, and can help them retain a positive work attitude through providing a sense of collegiality and normalcy.

Provide performance feedback

With everyone working remotely, it can be hard to monitor the performance and quality of your employees. Providing performance feedback fortnightly or monthly can help your employees continue to learn and improve, as well as keeping them productive knowing that their work will be reviewed.

Recognition

Providing positive and encouraging comments in the office seems very natural and easy to do, but when it comes to remote workers, it is easy for employers and managers to forget about taking the time to show recognition for the work employees are doing. Just like anyone else, remote employees should receive adequate praise and recognition for the high-quality work they do; without it, they are likely to become disengaged.

Improving sales pitches by understanding your clients

Understanding what drives your clients to buy is a key factor in maintaining high levels of client engagement, even during economic uncertainty.

In any business operation, sales pitches are responsible for bridging the gap between client needs and business products. You can improve your sales pitches and keep clients interested in your business by understanding the four types of needs that drive customers to buy.

Actual immediate needs

This refers to customers with short-term needs, whereby immediate response is preferred. These customers will do little comparison shopping before buying and as a result, it would be most effective to respond to their requests immediately. To keep such clients engaged with your business:

- Advertise constantly. You need to be in front of them exactly when they need something.
- Keep your advertisements up to date with SEO trends and social media trends and target your local community.
- Emphasise fast service, convenience, and price in your advertisements.

Actual long-term needs

These are real needs and wants that must be responded to, but not necessarily right away. This type of prospect will do lots of comparison shopping before buying. Preparing your sales strategy for such clients may include:

- Advertising frequently. Potential clients will be spending money soon, and they have to know you're out there.
- Staying in touch with past satisfied customers; this prospect relies heavily on word-of-mouth recommendations.
- Attending networking events (in-person and online) if selling to other businesses. Prospects are looking for someone to meet their needs.
- Making sure you get positive reviews on your products.

Perceived needs:

This means needs a person believes they have, but are not, in reality, an absolute need. If your customers are like this:

- In your advertising, emphasise the enhanced personal or business status or benefits from purchasing your product/service.

- Emphasise your company's quality and reputation.
- Feature testimonials, big-name clients in your marketing materials to add status to you as a supplier.

Unrecognised needs

These are desires customers don't yet recognize as being a need, often developed in response to the creation of a new type of product or service. Businesses that are aiming for clients like these need to:

- Emphasise how innovative and cutting-edge you and your product/service are.
- Explain what your product/service does because customers aren't yet familiar with it.
- Focus on how ahead-of-the-game your customers will be and how envious their peers will be.

A big mistake is to assume all customers have the same motivations as you. Do some market research. Ask customers for feedback. Start talking to customers to find out what really motivates them, and then go beyond what they just say to you. Understanding your customers is integral to developing a successful business.

The pros and cons of a horizontal workplace structure

The transition from a traditional workplace hierarchy to an employee-centred horizontal workplace structure is an emerging trend in modern business operations.

The horizontal workplace approach emphasises teamwork, collaboration and the sharing of tasks to further involve employees in holistic company goals and improve cohesion. Here are the advantages and disadvantages to a horizontal workplace structure to help you consider whether or not it will be beneficial to implement it into your own business.



Advantages

- Improves employee confidence and performance: as every employee is involved in every project, employees are motivated to work hard and produce successful results for both self-satisfaction and overall business benefits.
- Encourages teamwork: employees must constantly work together in a horizontal structure, thereby naturally encouraging teamwork and cooperation.
- Increase in growth opportunities: there is a greater chance for business growth when all employees are motivated to work towards a collective goal.

Disadvantages

- Complex decision-making process: instead of a straight-forward top-down approach, business decisions need to be made together with employees, resulting in a more complex and discussion-based decision-making process.
- Increased dependency: each employee's progress will depend on another's, meaning businesses must work around collective productivity rather than individual results,

Even after considering the advantages and disadvantages of a horizontal workplace structure, keep in mind that you do not have to apply one business structure over another. Combining elements that will work well from both the traditional workplace hierarchy and the new horizontal workplace structure when applied to your specific business is another option to consider.

Negotiating contracts with your suppliers

Entering into a contract with your supplier is a commitment - you want to make sure it's a good one.

Taking the time to negotiate a strong and detailed contract with your supplier will not only minimise potential disputes and risks, but could reduce your overall supply costs as well. Contracts can also improve your relationships with your suppliers as they establish trust, and can lead to better service in the long term.

The first thing you should do when considering a contract with a supplier is to make sure they are legitimate by conducting a background check assessing their credibility and trustworthiness. Look for registered suppliers and reviews from other customers.

Before sitting down to negotiate with your supplier, know the value of the product or service they are offering. Researching market prices and deals offered by competing suppliers will ensure that you're not being overcharged and give you a better sense of how much wiggle room you have to negotiate.

One negotiation strategy is to find mutually beneficial agreements. Suppliers will be more willing to agree to deals that benefit them as well. This could include a discount for bulk buying or upfront payments.

Contracts should include a written outline of each party's rights and responsibilities to minimise future confusion and disputes. Make sure that key details are clearly stated, including the agreed product/service, the timeframe of the contract, terms of delivery, price and payment plans, termination clauses, dispute resolution terms, and warranty periods.

How to improve your SEO ranking

Improving your search engine optimisation (SEO) ranking is an important step to increasing your web traffic and making sure your business is found.

Improving your SEO ranking allows your business to top search results as the first link to come up, thereby ensuring credibility and attracting more relevant clients. To reliably improve your SEO rating, here are a few key steps.

Optimise for mobile

Nowadays, clients are browsing the web from their phones so it is important to make sure all your web content is mobile friendly. Mobile optimisation also encourages search engines to link your websites first. To make mobile-friendly web content, consider:

- Minimising loading time for mobile users (usually with slower connection than desktop) - search engines as big as Google are planning on using page speed as a mobile search ranking.
- Organising your website objectives and planning the ideal mobile experience for page visitors.

Prioritise speed

Increasing your page speed (the rate at which

your web pages open from search engines and within your website) improves user experience for potential clients. By making sure your website is up to speed with both mobile and desktop modes, clients will gladly sift through your website and information as it can be done conveniently. To optimise your page speed, you should:

- Be wary of your image file sizes - use a compression tool to reduce file sizes.
- Enable browser caching - so that clients do not have to load web resources again.
- Minify your scripts - get rid of any extra augmentations that are slowing down your website.

Make sure your content is up to par

There is no use in a good SEO rating if the content on your websites is not high-quality nor attractive enough to retain clients. Not only should your content be conversation-worthy, you should also be regularly releasing new content (such as blogs) and perform regular technical SEO audits to keep up to date with your position in the search rankings. Testing what kind of content bumps you up on search engines will also help you in improving your SEO rating in the long term.

What to consider when developing a sales strategy plan

A successful sales strategy plan will provide your business with clear priorities, goals, and outcomes that can help you increase sales.

Outline your mission and goals

What's your business' mission statement? What are the goals and objectives that will help you



achieve this? Your mission statement should define what your business stands for and what it aims to achieve, while your goals and objectives should be aimed at executing your mission. Consider using the S.M.A.R.T. framework when developing your goals to ensure that they are specific, measurable, achievable, relevant, and time based.

Identify your ideal customer

Knowing your ideal customer persona is crucial as it will be the basis of your marketing strategy. Assess your ideal audience by researching their demographics, needs and wants while thinking about how your products or services have to offer them. Don't limit your demographic research to age, location, and gender, but also consider their attitudes, aspirations, and lifestyle.

Conduct a SWOT analysis

Assessing your business by using a SWOT analysis can help you identify areas to consider when developing a sales strategy plan, by addressing:

Strengths:

- What are your strongest assets?
- How skilled is your sales and marketing team?

- What advantages does your business have over competitors?
- What resources are available to you?

Weaknesses:

- What are your areas of improvement?
- What types of complaints do your customers have?
- Where do you fall behind from your competitors?
- Are you working with limitations on resources or skills?

Opportunities:

- Are there changes in the business environment you can benefit from?
- Have there been changes in the market that could present an opportunity?
- Do your competitors have weaknesses or gaps you can fill?

Threats:

- Are your competitors expanding or getting stronger?
- How satisfied are your customers?
- Are there changes in the economy, consumer behaviours, or government regulations that could affect your sales?

Conducting a business health-check

As our economy heads towards a recession, now is the perfect time to conduct a business 'health check' so that you come out the other side improved and ready to go.

Analyse your relationships with your business stakeholders so that you can make immediate improvements in preparation for when the economy starts to recover.

Clients and customers

Client and customer loyalty is something all businesses should aim for, but if your clients' values are misaligned with yours, conflict is inevitable. Hence, now is the time to re-evaluate which clients you want to keep loyal and which ones you can see a cooperative future with.

Re-assessing your target audience and deepening your understanding of the wants and needs of your clients would help improve your marketing and sales strategies. If you have clients who frequently struggle to pay you on time or are rude to your employees, assess whether your attention is worthwhile and if you would like to continue to work with them when the economic situation improves.

Employees

Your employees are another stakeholder to check up on during this downtime. Your employees will always be your business' representatives so make sure they are up to standard and help them improve on their skills.

Teach your employees more about your business goals

and strategies and improve the team atmosphere by introducing team recreational activities. Your relationship with your employees now during a global crisis will dictate how they feel about you as a leader and if they can rely on you in the future. Foster respectful, strong and healthy bonds between you and your employees and only good things will come your way.

Suppliers

The key question to ask when reviewing your suppliers is whether or not you are getting what you need from them at a reasonable cost. If you feel that your suppliers are asking too much from you or letting you down with their product quality, take the time now to look for other options. As businesses struggle through current economic conditions, suppliers are becoming competitive and there are more options to consider. Do your research and decide on the suppliers you want to work with for the long-term future.

Financing

Managing your finances is always a difficult task but it is now more important than ever. Your budget and profit predictions for this year are likely going rogue so reevaluate your finances and research other funding options such as commercial rent, interest rates and banking services.

Consider how you can minimise cost while maximising efficiency and productivity, save as much money as you can during these downtimes, and review your investments in detail to determine whether or not they are worthwhile.

About us

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your business*

At Leenane Templeton, we can:

- Positively help you identify opportunities to improve your profits
- Work with you to achieve your business goals
- Give you more time to run your business

We use our business advisory experience and expertise to monitor your business and give you proactive advice on how you can improve your bottom line and net worth.

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