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# PROFIT MATTERS

Helping you realise your full profit potential

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## How can you support your employee's mental health as a team leader?

*The importance of mental health in the workplace has grown due to the unpredictable and anxiety-inducing events that occurred throughout 2020. Employees were forced to adopt entirely different living and working conditions, and many suffered damage to their mental health as a result.*

This increases the likelihood that employees are unable to focus at work and lose productivity. Therefore, workplaces have an increased responsibility to support employees in managing their mental health. Managers, supervisors and team leaders in general are an effective medium through whom this support can be provided.

### Vulnerability

The first thing team leaders need to do is to display their own vulnerabilities. This is an important first step that requires balancing professionalism whilst being honest about personal challenges that may have arisen due to the various events that took place in 2020. They should consider starting off with small issues that cause discomfort so that employees are more open to discussing their

problems and effects on their mental health. The main purpose of this strategy is to make employees feel more comfortable with expressing their mental health concerns so that appropriate steps can be taken to support them.

### Building a culture that encourages communication

Encourage a culture amongst employees to conduct regular check-ins about where employees are with their workload, deadlines, and their mental health. This will do two main things:

- Let employees know they are valued: Knowing that their team leader is concerned with how they are coping with the load and how this might be contributing to poor mental health will let employees know that they, and their work, are valued.
- Keep team leaders updated: Knowing how employees respond to different tasks, deadlines and how this impacts their well-being is important information. This will assist in making decisions about task allocations and inform team leaders about what support might need to be provided.

Communication is a great tool. It gives insights into the detailed workings of the business and can also be beneficial in improving business performance, if used correctly.

### Offer flexibility

Circumstances are always changing. Whilst communication will keep team leaders more informed than they would otherwise be, responding to the information they have yielded is essential. One positive from 2020 was the implementation of work from home practices. Team leaders should discuss the possibility of work from home and whether this would be helpful to employees in managing their mental health concerns. Offering flexibility may, in itself relieve some pressure as employees know that they have this facility in times of particular stress.

These suggestions do involve substantial changes in company processes. However, implementing these changes are beneficial to employees (improved mental health) and employers (mentally healthier employees means more productive employees), and therefore should be applied in workplaces.

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# Avoiding vicarious liability in the workplace

## What is vicarious liability?

Employers are held responsible when employees act in a discriminatory manner, harass or bully another individual. This is not confined to conduct in the workplace or during work hours. The requirement is that there should be sufficient connection to the workplace. This responsibility of the employee's actions which falls upon the employer is known as vicarious liability.

Notably, dismissal or performance management decisions made by human resources employees may also fall under vicarious liability.

## Who is a workplace vicariously liable for?

Workplaces are liable if an employee or contractor engages in discrimination, harassment or bullying towards another

employee or contractor, a contractor's employee, or a visitor to the workplace.

Workplaces are not liable for the conduct of their visitors or contractor's employees.

## How to avoid vicarious liability?

It is possible to avoid vicarious liability, however, a workplace needs to demonstrate that:

- Reasonable steps have been taken to prevent the conduct
- Demonstrated commitment to creating a discrimination, harassment and bullying free workplace

Creating a policy against discrimination and adding it to the employment contract is unlikely to fall under 'reasonable steps to prevent conduct'. Workplaces need to go beyond this step to ensure that employees understand the policy and implement it in their day-to-day work.

## Implementing anti-discrimination policies

Firstly, the policy itself should cover multiple facets of discrimination, against diverse groups

of individuals.

- Facets of discrimination: Cyberbullying, sexual harassment, racial discrimination, etc.
- Diverse groups: Race, disability, LGBTQ+, etc.

Secondly, seminars or training programs should be created which explain the policy and what it means. These programs should clarify the type of conduct that is impermissible in the workplace and potential consequences of breaching the policy.

Thirdly, each level of the company should be shown the seminars or provided the training that has been put together. There should be regular follow-ups to ensure that employees are aware of the policy and its effects.

Employers might consider an internal complaints system. This can be used to determine the direction of the seminars, training and even updates to the discrimination policy, depending on where there is a need for further awareness or correction. The system will also help address specific problems experienced by employees.

## Taking advantage of COVID-19

*Now that COVID-19 has transformed the business space, it is time to take advantage of it!*

The biggest advantage of COVID-19 has been the normalisation of remote work practices. Due to necessity, softwares which allow seamless remote work have been developed even further than they previously were. Therefore, businesses and individuals are not nearly as constrained by geographical limitations as they may have previously been.

The ease of remote work means that individuals who don't live within day-to-day travel distance of their workplace can still work for a role they are qualified for. For businesses, this means access to a larger pool of talent and more likelihood of hiring a person that best suits the role. For individuals it means access to a greater number of jobs which may suit their interests and capacities more than those close to them.

Further, remote working also allows businesses to be more inclusive with their hires. Businesses can now hire qualified individuals who might suffer disabilities which prevent them from travelling to a specific office location. Additionally, employers will also gain access to competent single parents who might not otherwise be able to make the commute to work due to their personal commitments. These are only two immediate examples, but the possibilities are endless.

# Why businesses should care about seasonal changes

*Businesses should care about seasonal changes because they correlate with changing purchasing habits.*

Depending on the season, individuals are more likely to purchase certain products, or access certain services more than others. There are many factors that affect seasonal purchasing, and businesses should identify which factors are more relevant to their business:

- Change of season: The weather, products needed, how often people visit certain locations.
- Holiday season: Holiday periods result in higher purchasing and purchasing of more novelty items as opposed to need-based items.
- Seasonal jobs: Employment in certain industries, such as construction trades, change seasonally, meaning that groups will have more money coming in during certain seasons than others.

Businesses that have products and services which might correlate more with one season than another should be particularly aware of changes in customer practices so that they

can make the necessary accommodations.

## Product-based business

Businesses that have products which are more popular during some seasons than others should be analysing data which gives insight into the increases and decreases of purchases of those products. This will allow them to increase inventory during times of demand, so as to not fall behind public demand, and decrease inventory during low-purchase periods, so as not to have unnecessary stock taking up space.

## Service-based business

Businesses providing services which are seasonally popular should consider hiring individuals on a contract basis for the period of high demand. This will allow them to fulfill the demands rather than struggle to meet them with limited employees. Hiring on a contract basis may be more ideal since the quantity of employees may not be necessary during off-peak seasons.

Businesses should keep in mind that Australia is transitioning into colder months and the Easter season is coming soon. Therefore relevant changes need to be made.

# Planning and Managing Your Finances Post-COVID-19

*An important part of planning and managing finances as a business should be in understanding how the financial situation the business is in can be improved.*

The challenges faced by many in the COVID-19 economic climate is something that should be addressed in future financial planning during this particular period by recovering businesses.

Understanding and undertaking regular reviews of the future financial positions of the business can assist you in clarifying whether or not the business can meet its strategic direction.

## Financial Management

A business can improve their financial performance by planning how to use their finances appropriately. This is a vital aspect of financial management practice for businesses.

Financial management is utilised by many businesses to ensure that their business:

- Makes effective use of all available resources
- Fulfills stakeholder commitments
- Gains competitive advantages

- Prepares for long-term financial stability

Financial management should become a key element of the processes within the business and be included in all ongoing business plans and strategies.

## Good Practices for Financial Planning

As a continuous process, businesses should consider that their approach to financial planning includes:

- A clear business plan to project where the business sees itself in the future, with key goals.
- Monitoring financial positions and progress of the business to ensure that targets are being met.
- Ensuring that customers pay on time with clear and understandable terms and conditions regarding payment.
- Reducing outstanding debts and costs that could impact on business profits and cash flow.
- Regular comparisons of budgets against actual results from the business.
- Tackling problems as they arise with the help of financial professionals and advice as soon as possible.



# The Cost of Compliance



*Making money from a business can be hard. With so many start-up costs, loans, debts and other financial difficulties hanging overhead, it might seem near impossible to get ahead.*

However, there are other costs that can impact on a business' ability to accumulate profits.

Compliance costs refers to all the expenses a company incurs while making sure that they adhere to industry regulations and standards. These costs can increase as the regulation standards in an industry increase and as a company expands globally. These costs are sometimes referred to as a 'compliance overhead'.

Some businesses can spend up to 10% of

their revenue on compliance costs. However, it costs to be non-compliant, with fines often costing several times more than what they otherwise would have to cover compliance costs. It can also lead to reputation problems within their business' industry for the failure to pay.

Small businesses may often feel the impact of compliance costs more as it eats into their profits and reduces their revenue streams. With some having smaller profit margins than many others, this can be very daunting.

Compliance costs are necessary though - the expense allows businesses to ensure that their workers are safe and working in standardised, regulated conditions that the industry approves of.

# Marketing Your Business Effectively with Social Media

*With a lot of the information around marketing for social media peppered with terms that many in the public are unfamiliar with, such as Google Analytics, SEO and many more, it can seem daunting to the uninitiated.*

Social media today is an integrated, networking tool across the digital landscape and that businesses can use as a drawcard to promote their products and services. Businesses can use the online space as a virtual advertising billboard to reach a customer that may otherwise elude them.

## Why Social Media?

The world has moved beyond the television and towards the computer or phone, where a few clicks can have them more informed about a product or service in a matter of seconds.

Insights into what drives customers has proven that they engage best with video and interactive marketing - a few seconds of effective content can be enough to stop them in their tracks.

Social media platforms (e.g. Facebook) have a tremendous opportunity to provide informational messages for consumers to digest and make an informed decision upon.

However, social media marketing will only prove useful if it is done effectively and properly.

## Pros and Cons of Social Media

Social media platforms like Facebook have many qualities that make them valuable to businesses as a marketing tool.

- Thrifty businesses should recognise the inherent value of social media in terms of the cost. A business' social media can be entirely run by and for a business, without the need for outside involvement if so desired. This is particularly useful for smaller businesses without the budget.
- A business can establish a large audience, with a reach to millions of people within their grasp. There is no limitation to social media marketing audiences as it breaks down their demographic and geographic barriers (like age, race, gender)
- Marketing can be targeted towards specific targeted customers. If a product or business has a website with a mailing list, that mailing list is worth gold. The information available from those people who have subscribed to the list can aid businesses in targeting people on social media and narrowing the audience scope.
- Most platforms have in-built analytics software for insights into who is interacting with and interested in the products or services available. This can be useful when trying to establish new marketing campaigns or branding, or how

well the business' message has been communicated.

- Social media influencers can be employed by businesses to promote products to an already established audience.

There can be drawbacks to using social media to connect with customers and promote your brand.

- It can be a time-consuming process to run social media campaigns without a dedicated manager. It requires a lot of research, effort and a constant content stream to ensure that businesses remain engaging and dynamic.
- There is a risk of negative publicity that comes with the use of social media - though it can be used to promote the business, it can also be used to pull it down. Many on social media may interact with the product in a negative way, without knowing what it does. This can negatively impact the business and damage its viral and social reputation.
- If multiple people are involved in running the business' social media, it can dilute the brand voice being established.
- Disclosures must be made available to consumers when utilising paid endorsements, such as social media influencers.

## Interaction with Customers

*The key component to any good business is the way in which customer relationships are handled. In an increased world of connection and accessibility, the way in which customers interact with businesses has dramatically changed.*

It is important that businesses understand the significance of strengthening their relationships with their customers as this interaction can be the make or break point for their reputation.

### The Benefits Of Establishing Stronger Customer Relationships

- Customer loyalty to the business/brand
- Stronger trust as a result of continuous communication
- Business value will increase as a result of establishing customer goodwill

- Increased innovation and profitability
- The information customers provide can assist in planning for long-term success of your business.

### Customer Relationships and Standards Compliance

Ensuring that customers are receiving the best possible assistance from us as we fulfill what they need should not be tricky. If a business has appropriate customer standards in place, it becomes easier to clarify how they will be able to best serve their customers. In saying so, it's important to establish their standards and procedures to suit their customers needs.

Consistency towards how businesses hold themselves accountable to their standards in serving customers can be both a negative and a positive - standards that are too inflexible could

mean that customers aren't receiving the right kind of support, and standards that are too flexible could result in customers not receiving the right kind of support. Before a business manages strict adherence to their customer-satisfaction standards, it's best to consider the following:

- Are you providing a high-quality service to your customers?
- Do you have a solid vision of what your customers expect from you?
- Will your customers be satisfied at every stage of their interaction with you?

Considering these questions during interaction with customers can ensure that those relationships can be appropriately handled and enable businesses to establish customer procedures to follow as needed.