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Beat the Recession

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INTRODUCTION

In recent months the term “Credit Crunch” has become all too familiar to most business owners to be followed “hot on its heels” by the “R” word, Recession.

As a consequence of the economic downturn a whole raft of advice on how to “Beat the Recession” has been hitting the shelves. Most of the advice has been tried and tested in previous recessions but, when I stop and think about it, a lot of the suggestions that I hear to “Beat the Recession” highlight what I consider to be good business practice, regardless of the economic climate.

Yes, I accept that the need to react quickly can become more acute during a downturn of the severity that we have seen over the past 9 months and very few business owners will have “seen it coming”.

I also accept that we will do things differently in a recession - out of necessity - but I also think that this could and should act as a catalyst for the introduction of better business practice. This will stand business owners in good stead when we do emerge from recession, whenever that may be.

Here at TW we have both accountants and bankers who have been through a recession and know what the challenges are from experience. We have written our own short guide which we believe focuses on some of the key issues.

It’s not an exhaustive list nor is it meant to be implemented “lock stock and barrel” into every business but hopefully it will prove useful to most business owners, either by giving them some ideas as to how they can respond to the challenging economy or acting as a sanity check - confirming that they have considered and ACTED on the important issues.

It’s one thing to know about it, it’s another thing to do something about it.

We hope you find this guide helpful.

CASH FLOW

Most people are familiar with the phrase “Cash is King” - particularly during a recession, and the challenging economic climate in which we currently find ourselves, means that this old adage is every bit as pertinent now as it was in the late 80’s and early 70’s.

The point is that “cash” gives you options - the potential to take advantage of extraordinary opportunities in these challenging times or, simply providing you with the piece of mind of having strong reserves available to you to help “ride out the storm”.

Conversely, not having enough cash may become a barrier to being able to act on opportunities and worse still may prevent the business from benefiting or growing when the upturn finally arrives.



So what can be done to influence cash - well, potentially lots of things.

Credit Control is vitally important

It’s always helpful to have a good relationship with your debtors but, notwithstanding that, you do need to make sure that you have a robust credit control system in place.

Don’t be tempted to rely on the “my customers have always paid me on time before” argument and so “I don’t need to improve credit control”. Your customers may not have had to trade through a recession before and so their cash position and trading performance could come under pressure, affecting their ability to pay you!

If you haven’t got an effective credit control system in place - get one! - If you need help call us.

Even if you have an existing system - ask yourself “is it still up to the job or does it need an overhaul?”

An **effective** credit control system will deliver several key benefits.

The first and most obvious is **improved cash flow**. An effective credit control system should speed up cash collection. Customers will respond to a regular pattern of collection. A consistent, systemised approach will result in a more consistent result.

Another benefit is reduced bad debts - the sooner you attempt to collect outstanding debts the sooner you will get paid or, alternatively, the sooner you will find out there is a problem with payment, in which case you can begin to take whatever action is required to limit your risk.

A further “credit control” benefit is reduced costs

An obvious example would be bank charges. Prompt collection of cash will reduce interest charges where you have to borrow on overdraft. The savings will be even greater where prompt collection prevents an overdraft from creeping over the agreed limit.



Limit excesses often attract much higher interest rates and penalties - this is before we even consider the extra time absorbed by having to talk more frequently with the banks.

If we accept that good credit control = more cash, what can you do with it?

Maximising cash through tight credit control may allow you to reduce costs or improve margins by negotiating special deals with suppliers or generous discounts for early payment.

There are other things that can be done to help supplement a good credit control system and, in turn, improve cash flow.

Another way to improve cash flow is to ask for payment or at least a deposit up front or immediate payment on delivery. Don't automatically offer credit.

Consider offering a discount for early settlement BUT be absolutely clear in terms of the impact of such a discount on your profit margins. Understand how much you are potentially "giving away". If you are not careful, this could be an expensive method.

Where you do offer credit terms to a customer, try to develop a close working relationship with the person who controls the "payment run" for that customer. There is overwhelming evidence to suggest that people pay people they like. Where there is a rapport you will often find that you will receive a more favourable response compared to a situation where there is no close relationship or worse still, an abrasive one!

If you know when the "cheque run" takes place call a few days before and confirm that everything is "ok". If you get a "yes" then that's fine, if you get a "no" then you can at least find out why you're not on the payment run and try and fix whatever the issue is.

Even if the issue - whatever it is - can't be fixed in time for you to be included in the payment run, at least you will know in advance that the money won't be coming in on the expected date and you can plan accordingly. This must be preferable to finding out "on the day" when the money simply doesn't turn up.

Other options

Consider how you might be able to offer low cost concessions in return for prompt payment. It might take the form of a points scheme to encourage customers to accumulate "points" for prompt payment which then results in a reward of some description.

Consider the timing of when you issue your request for payment. If you are delivering a product or service and are able to identify that the customer is happy - why not request payment there and then whilst your performance is still fresh in the customers mind.

If you don't have one already, try and develop a system that:-

- identifies when the “right time is to request payment”
- checks that the customer is happy immediately after delivery/installation
- establishes that the customer is happy with the outcome
- immediately issues a request for payment once it's clear that the customer is happy.

What if the customer expresses dissatisfaction? Well it is surely better to find that out sooner rather than later so you can put the problem right immediately and then “re-assess” happiness. Once fixed, you can issue your invoice.

What if your customer “can't” pay?

There may be circumstances where the customer can't pay due to his/her own cash flow problems. You need to be aware that “can't pay” and “won't pay” are two very different issues.

If your customer is experiencing cash flow difficulties you may still have some solutions that will help.

If the situation allows, offer to arrange finance for clients/customers through a finance company. This will allow them to spread costs over a period of time but you will receive the bulk of your cash immediately from the finance company. You need to be aware that you may still be liable to the finance company in the event that the customer defaults on payment. Make sure that the finance company's terms and conditions are clear to you.

Offer to accept stage payments yourself if finance is unavailable. This may mean that you get some cash rather than none.

You may wish to consider becoming a Direct Debit originator. With your customer's permission you will then be able to debit their account with agreed amounts on agreed dates. Whilst this won't guarantee that payment will be received (payments may be rejected if your customer doesn't have sufficient cash when you try to claim it); at least it means

you are in charge of the collection process and will be quickly alerted if the customer cannot meet his payment.

If this sounds too complicated an alternative is to ask customers to sign a Standing Order mandate.

Where you do have agreed credit terms, make sure that your credit control system issues statements regularly as a reminder. Sometimes people forget to pay because they themselves do not have good systems in place that help them to run their business smoothly.

Offer your clients/customers several ways to pay you. We've already touched on Standing Order and Direct Debit but do you accept credit cards?

If customers are consistently late payers - consider "sacking them" as customers. If you constantly have to chase them for payment consider that cost. When you add it all up (particularly time costs) ask yourself "Am I actually making any money out of them?"

Explain to them that you may have to stop supplying them unless their payment record improves!

If you don't want to "sack them" consider pro-forma invoices.

Consider how clear your invoices are to your customers. Does the customer know what they are paying for? Has the price been clearly agreed beforehand? Without this clarity you may be opening the door to disputes over the invoiced amount. This can delay payment and will often take up quite a lot of time in agreeing the solution where these disputes occur.

Even with a robust credit control system and by applying the initiatives suggested above, if you do offer



credit you may still experience bad debts. To protect yourself against heavy losses you may want to consider insuring yourself against debtor default. Whilst it can be expensive it can make the difference between survival or not when faced with a high dependence on a relatively low number of customers.

Other than Credit Control initiatives there are other things that can be considered to assist with cash management.

Revisit payment plans where your circumstances either dictate or permit.

For example, a change in profitability may mean that you can revisit tax payable on account. If profits have fallen significantly you may well be able to reduce the amount of tax that you have been asked to pay.

If you find yourself with insufficient cash to meet a scheduled tax or VAT payment it is always worth contacting HM Revenue and Customs to negotiate a payment plan to help you manage cash flow.

Don't stop there. It's not just HM Revenue and Customs that might co-operate with requests for payment terms.

Try spreading your payment on favourable payment terms. Remember, if you don't ask you don't get.

Capital Expenditure

Consider delaying spending on bigger ticket items. How important is the new item to the ongoing performance of the business? Be honest with yourself, is it "nice to have" or "need to have".

If it's "need to have" is it need to have today or can the purchase be delayed?

Is the "must have" item something than can be leased instead of being purchased outright? Vehicles would fit into this category as they are often available on a lease basis.

Commercial Borrowing

Shortage of cash could be overcome by increasing borrowing facilities. Consider normal commercial finance first. Can you arrange extra buying power by reviewing and renegotiating your existing banking arrangements, or perhaps by trying a new bank?

We can help. We understand what banks are looking for; speak to us or visit our website and read the article “Getting the bank to say ‘Yes’” or ask us for a copy.



Then consider the type of support you want from your bank. Overdraft facilities can offer flexibility but are also repayable on demand. Will your bank commit to providing you with an overdraft facility for an agreed period of time? Make sure the type of facility meets your ongoing requirement.

Consider all options available. Twenty years ago “factoring” or “invoice discounting” were considered to be the types of finance that only “struggling” businesses would adopt. This is no longer the case. Factoring can be a very effective way of freeing up cash and insuring debts. It can be expensive compared to overdraft but imagine what you could do to the business with the extra cash or the time that it could free up.

Initiatives recently introduced by the Government to encourage more bank lending may mean that finance that was otherwise unavailable towards the end of 2008, can now be obtained from a number of high street banks. So, even if you have sought finance previously and have been declined, it may be worth trying again.

Other options

In extreme circumstances a “fire sale” of stock may generate urgently required cash. However, this is probably getting into last resort territory, unless the stock is becoming obsolete.

If you are fortunate enough to have surplus cash make sure that you review the interest rate that you are receiving on your deposit account on a regular basis. You can't always rely on the banks to push you towards their best interest rate so it is worth having a system that prompts you to ask the question.

When it comes to careful cash management, there is still a place for old favourites such as a cash flow forecast. Whilst this in itself does not directly affect cash it does help you to recognise the potential "pinch points" in your cash flow and, as a consequence, helps to focus on remedial action in order to try and avoid the predicted cash shortages.

Consider the availability of Grants - not often a quick fix but helpful in that they can contribute significant cash towards specific projects.

In the current climate, grant availability is an area that will become more prominent as the Government attempts to reinvigorate the economy. Make sure that you get your fair share. Business Link and your local Chamber of Commerce will be able to point you in the right direction. Get your application in early. If you're not sure where to start, get in touch with us!

YOUR STAFF/TEAM

During challenging times there may be an increasing need to look at staffing levels or staff costs in an environment where Sales Income, and/or profit margins are coming under pressure.

Consider how you can make more efficient use of your people.

Do they need to be full time? Can you introduce flexi time or part-time hours? Consider job sharing opportunities. In extreme circumstances you may need to look at redundancy.

Can you agree a different package that allows your employee to "sacrifice" some of their salary in return for other benefits provided by the business?



Is your HR up to date? Make sure you follow the proper process otherwise a redundancy can quickly become unfair dismissal. Get your contracts checked now, don't wait until you have to rely on them as that may be too late.

Significant penalties can be the result of a “wrongful dismissal” - it pays to invest in a few hundred pounds in having a “health check” and get proper advice - it could save you £'000s in the long run.

Be aware - redundancy can cut long term costs but there may be a short term cash flow hit. Also ask yourself “How will the business be able to respond when the upturn arrives?”

You may have to consider renewing existing terms and conditions - where conditions allow. A redundancy situation may be avoided by collective action on terms and conditions e.g. 3 or 4 day week etc. Consider options but always take appropriate HR advice. If you're not sure what to do then talk to us!

As part of that process you may choose to incentivise your staff to encourage stronger performance. For example - in a sales role you may offer sales commission as an incentive.

Try and use your team's skills differently - talk to your team; brainstorming sessions could generate new beneficial ideas that will help the business. Too often employees believe that management have all the answers, when often it's the people at the coalface - the one's **doing** the job - that can often bring a new perspective.

We've all heard the expression “square peg in a round hole”. Are your people best suited to the job that you are asking them to do? Have you

considered “personality profiling” to make sure people are best suited to their job?

Finally - at the other end of the spectrum - in difficult times, movement in the labour market may mean that high quality people become available and you could consider recruiting employees with greater skill sets. Make sure you take proper advice if you recruit shortly after making redundancies.

Other areas that may warrant a second glance include:-

SYSTEMS

Can technology help with efficiencies - possibly replacing people or enabling the team to work more efficiently?

- Are your IT systems as efficient as they can be?
- When is the last time it was reviewed/updated?
- Have you taken advantage of the improvements in IT systems that have taken place in recent years?
- It may mean a short term cost but can long term savings be identified?
- Will it improve your service?
- Can you save time by having templates for frequently used documents?

All businesses should be trying to look after their existing customers really well and good systems can help prevent poor service.

Do you have a system to make sure that you quote each and every time and that each and every quote is then followed up?

Efficient systems can often deliver a more consistent level of performance thus reducing the reliance on individuals. This means that you can often get more out of your employees because systems set the standard rather than the individual. A good example of a business built on systems is McDonalds. Whether you like the product or not you can admire the systems that result in a similar experience for the consumer, no matter which outlet you visit.

If you're not sure what you need to do next, what systems could or should be improved or "how to do it" - don't worry - pick up the phone and talk to us!

TAX AND ACCOUNTS



Doing the simple things right should assist cash flow in a number of areas.

By getting information to your accountant quickly, the prompt/early submission of Returns will avoid penalties which are becoming increasingly punitive.

The early availability of accounts may also prove beneficial in dealing with third parties such as banks, leasing/HP companies and other finance providers. Late production of accounts certainly won't help and could result in the perception that you are not on top of your business.

If the business environment is challenging, resulting in a deterioration in performance, depending on your circumstances it may be appropriate to reduce the amount of tax that is scheduled to be paid "on account". This is something your accountant should be able to help with.

It is sensible to review, on a regular basis, whether or not your existing trading entity is the most appropriate for your business. Changes in legislation or the underlying performance of your business may mean that it becomes more appropriate to trade as a Company, Sole Trader or LLP.

Here at TW we offer our clients a fixed price service. If you are not a TW client does your accountant offer the same?

We believe that our clients will appreciate our help and support even more during challenging times and we don't want them to be put off by the thought that it will cost them more in fees. Offering a fixed price overcomes this potential obstacle.

VAT

Consider VAT registration/deregistration

Consider non-compulsory registration or if turnover allows, deregistration. Depending on circumstances, this could make a favourable impact on cash or lead to cash savings in finance (VAT Returns or time).

A VAT flat rate scheme for small businesses was introduced to reduce the administrative burden imposed when operating VAT. This could save time and money.

You might be eligible if your taxable turnover does not exceed £150,000. If you're not sure if you're eligible or what the next step is - talk to us!

A VAT cash accounting scheme is also available for consideration. This enables a business to account for and pay VAT on the basis of cash received and paid, rather than on the basis of invoices issued and received.



Advantages of the Cash Accounting Scheme

- Output tax is not due until the business receives payment of its sales invoices. If customers pay promptly, the advantage will be limited. Even so, the gain may be material.
- There is automatic bad debt relief because, if no payment is received, no output tax is due.
- Most businesses find it easier to think in terms of cash flow in and out of their business than invoiced amounts.

Potential disadvantage of the Cash Accounting Scheme

- There is no “input” tax recovery until payment of suppliers' invoices.
- The scheme will not be beneficial for net repayment businesses. For example, a business just starting up, which has incurred substantial initial expenditure on equipment, stocks etc so that input tax exceeds the output tax, should delay starting to use the scheme. That way, it recovers the initial input tax on the basis of input invoices as opposed to payments.

Bad Debt Relief

It is quite possible within the VAT system for a business to be in the position of having to pay over VAT to HMRC while not having received payment from their customer.

Bad debt relief allows businesses to claim a refund where they've accounted for VAT but have not received payment for goods or services. In order to make a claim a business must satisfy the following conditions:-

- goods and services have been supplied and the VAT in question has been accounted for and paid.
- six months has elapsed since the later of the date of supply and the due date for consideration, whichever is the later.
- all or part of the outstanding amount must have been written off in the accounting records as a bad debt.

HMRC have introduced a number of VAT schemes over the years designed to reduce the administrative burden on small businesses. One such scheme is the annual accounting scheme.

The Annual Accounting Scheme helps small businesses by allowing them to submit only one VAT return annually rather than quarterly. During the year they pay instalments based on an estimated liability for the year with a balancing payment due with the Return. The scheme is intended to help with budgeting and cash flow and reduce paperwork. A business can apply to join the scheme if it expects taxable supplies in the next 12 months not to exceed £1,350,000.

Businesses must be up to date with their VAT returns and cannot register as a group of companies.

Advantages of the Scheme

- A reduction in the number of VAT Returns required each year from four to one.
- Because the liability to be paid each month is known and certain, cash flow can be managed more easily.
- There is an extra month to complete the VAT Return and pay any outstanding tax.
- It should help to simplify calculations where the business uses a retail scheme or is partially exempt.

Potential Disadvantages

Interim payments may be higher than needed because they are based on the previous year. However, they can be adjusted if the difference is significant.

Instead of sending paper - register to submit your returns “online”

By registering to submit your returns online to HMRC, you will get more time to submit returns and it will also allow you to hold onto your cash for a little longer if you also pay HMRC electronically.

WORK SMARTER - CONSIDER DOING THINGS DIFFERENTLY

Consider how doing things differently could have an impact on business profitability, cash flow or both.

Can any part of the business benefit from out-sourcing? This could reduce the costs and cash outgoings without necessarily sacrificing quality.

Whether it's production, transport or admin, can it be outsourced? Does the business actually need offices or just the perception of having office premises? Are customers ever likely to visit or want to visit your premises?

Implementation of systems, to improve consistency and save time, should be considered.

Could you achieve your market presence through a "virtual office" provider?

If you are not sure what to do next - talk to us!

If outsourcing is not for you, how about a co-operative / buying group arrangement? Can you form strategic alliances with other businesses with a view to increasing buying power to reduce costs or consider joining an established buying group?

Consider bulk buying - if stock is non-perishable, what discount could be achieved by bulk buying?

One way to bulk buy is to consolidate suppliers. If stock is purchased from two or more suppliers, what discount could be achieved by redirecting orders to fewer suppliers? You may need to exercise some care here as becoming dependent on very few suppliers could also make your business vulnerable.

If cash is plentiful - use it to obtain discounts.

Try negotiating supply deals - ask "what will you do on price, if I buy more?"

If you can't or don't think it's appropriate to bulk buy, consider going completely in the opposite direction and go for a "just in time" arrangement for stock.

If cash is tight, then you might be able to release cash by holding less stock. Admittedly care needs to be exercised about the quality of lines of supply and consideration needs to be given as to the volatility of the price of stock.

Look at supplies where relationship is not critical and it's purely a commodity e.g. energy costs, telephone costs - when's the last time you reviewed your deal? What initiatives can they suggest to make you more energy efficient e.g. modern lighting, boilers, more/new insulation? What grant assistance is available to assist with the cost?

Life assurance - If straight forward whole of life or term cover, when is the last time you reviewed your cover to see if premiums could be reduced?

Review building, contents and vehicle insurance. Compare prices. Make sure that you are happy that you are comparing "apples with apples" or if not, that you at least understand any differences in cover before you consider switching suppliers.

Look into the deal you have with your existing phone system providers and in particular your mobile phone contracts. When is the last time you reviewed your tariff? Do you have a group mobile deal where the business supplies its employees with phones and free calls between users?

Business Vehicles - What about the vehicles used by the business - are lease deals staggered with different providers or are vehicles all placed through the same supplier with a "volume" discount negotiated?



Limited Company? - Do you need to run your business through a limited company? Whilst you need to appreciate the importance of limited liability, would it cost you less if you were a Limited Liability Partnership? What are the tax implications? Assess the “Pros and Cons”. If you’re not sure what this means - talk to us!

Selling goods/services - in particular via the Internet

- How do you sell your goods or services?
- Do you have an internet offering?
- If not, could this save on costs?
- Would it supplement your existing routes to market and produce more sales even if it didn’t reduce costs?
- Are you losing market share to competitors because you don’t have an internet offering or because your website is looking tired?
- How do you think that a poorly designed and executed website will reflect on your business?

Could you change your routes to market to make the process cheaper - could you add more routes to market to try and sell more without necessarily incurring additional cost? Is your business well suited to recruiting agents that sell based on commission?

GETTING MORE CUSTOMERS

Consider how you can attract new customers. Yes, traditional methods such as advertising might help but are you measuring your response rates to see how worthwhile the advertising has been? Do you monitor how productive your advertising spend is?

Most people agree the best form of advertising is word of mouth. It’s nearly always “free” and is often very effective, as a recommendation is frequently perceived to have been given by someone who is independent, impartial and therefore has no vested interest.

Be honest with yourself in asking the following questions,

- What systems do you have in place to encourage or even insist on referrals?
- Do you even ask?
- Do you get regular feedback from your customers to help you understand what you do well or what you could do better?
- Do you ask your customers what they don't like about doing business with you or what prevents them from buying from you?
- Do you have a thorough understanding of what it is your customers actually want and then develop your business to deliver just that?
- Do your customers tell you what they think is your Unique Selling Point (USP)?
- Do you even ask them?
- Do you have a clear understanding of what your USP is and how to leverage it?
- Do you ask your customers what it was, specifically, that made them choose you?

What was/is it that you do differently to the other providers that they considered?

By listening to what your customers tell you and then reacting accordingly you will enhance your appeal in your customer's eyes and this will make it easier for them to refer new clients to you and make it easier for you to ask!

Do you understand which products are your most profitable?

Do you have a clear understanding of how your sales mix influences bottom line so that you can maximise income?

The sales mix could be important in helping to preserve profitability. How good are you at cross selling other products that you are able to supply, to your existing clients? It's often much easier to sell more to an existing customer than it is to find new customers/clients to sell to.

Better still, do you have a robust system in place that encourages, if not insists, on making sure that there is continued focus on cross selling opportunities?

What do your existing clients buy from someone else that you already sell or that you could sell?

Could you diversify?

Do you have any specialist knowledge that remains largely unexploited within your organisation - the ability to offer a specialised service could well differentiate your offering from that of your competitors?

Do you deal with a particular industry sector more than any other?

If you do, it may be that some modest additional training will effectively turn you into a specialist when compared to the majority of your competitors.

Using package deals may help you improve overall sales to existing or new customers. Providing you know your margins on your product range, you might be prepared to sacrifice some margin in return for increased sales rather like a restaurant does by offering a starter, main and dessert at a discounted fixed price. Providing you know that you are making a decent margin overall, it's worth considering.

Do you have a prospect list? Draw up a list of businesses that are not yet your customers but where you would be delighted if they became customers.

A concerted effort to win a specific number of clearly identified new clients may well produce better results than a generic "grape shot" approach.

If you can identify who you want to win as customers, then you can carry out specific research to find out exactly what they want from a supplier of the products or services that you offer. Hence you can begin to tailor your offering to specifically meet their needs.



We've already touched on cross selling into your customer base because there is good evidence to show that it is cheaper and easier to sell more products to customers that already buy from you, than it is to win new customers.

Make a list of all of the products (or just the main products) that you sell, make a list of all your clients and then identify which clients buy which products. In performing this exercise you'll also identify which products they don't buy from you. Knowing your customers, then choose the three most likely additional products that they could buy and then try and sell them. Consider packaging them or discounting them as an introductory offer.

Do you have a referral strategy/reward system? Consider what you could do to reward existing customers that refer new customers to you and then tell them!

Do your clients/customers know all of the products or services that you provide? Some customers go elsewhere because they simply "didn't know that you did that sort of thing" or "sold that item". Try and make sure

that your products are clearly described and presented. People need to understand what it is that you are selling and more importantly, how it will benefit them.

A lot of these initiatives require planning and then monitoring. Ideally the key “drivers” should be captured on a single page business plan.

There is very strong evidence to support the claim that a well constructed and well implemented business plan will deliver much a better business performance.

If you are not sure what to do next - talk to us!

SHARING THE PAIN

Running a business is often a lonely experience for the business owners. Sometimes they may feel as though they have no-one that they can talk to, to confide in or bounce ideas off.

Use a sounding board - an accountant or bank manager will interact with lots of businesses and most are happy to try and help.

You may even consider employing a consultant or going to one of the business development bodies such as Business Link or the local Chamber of Commerce.

If the subject matter allows - talk to other members of your team. Sometimes they can bring fresh perspective to a situation that can help overcome stumbling blocks.

PR

Consider other ways of getting your message out to the community. Have you got a local newspaper that has a business section? Get in touch with the Business Pages Editor - find out what sort of stories they want - what can you do to make it easy for them to publish stories about you and your business. Can you write articles for them?

Do you support a local charity? A good news story is often published. Photo opportunities are also frequently available when it comes to supporting a charity, or doing something for the community.

Consider a network strategy. Do you or another member of your team attend the various networking breakfast or lunches with a view to getting your message out to like minded individuals? Offer to address them. Can you talk for 10-15 minutes about your product or services and get across the benefits to the audience of doing business with you?



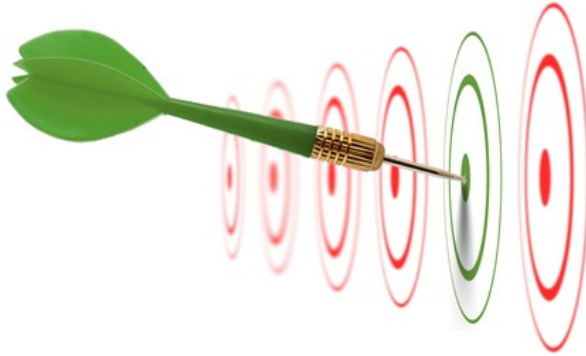
Run your own seminar. Invite your target customers and sit them next to your delighted customers. They will reinforce the message that you seek to deliver in your presentation.

Use testimonials in your PR activities. Third party recommendation is still one of the most effective ways in winning new business.

If you haven't got a system for collecting testimonials and asking for referrals - get one!

If you think this is something that you should be doing but are not sure how to do it - talk to us!

FOCUS



Understand clearly what you want to achieve with your business and, specifically, what it is you are going to do to get there.

Try not to get lost in the minutia. Think about the 80:20 rule when determining strategy. If you need some help with this, just ask us.

Make sure you're doing the things that only you can do. Don't fill your time doing things that could be done by other members of your team.

Make sure that you are able to measure your progress by having clear milestones so that you know when you're succeeding or when you have to review your strategy because you're not hitting your numbers.

Make sure that you have systems in place that help you measure the key numbers in your business. This will ensure that you make informed decisions rather than make assumptions or simply guess!

Get someone to hold you to account! If you're the business owner who makes sure that you deliver on the things that you say you will? If you need someone to help you maintain your focus then draft them in and give them nagging rights.

Understand where you make your money:

- which products
- which customers

BIGGER PICTURE

Think about opportunities that might be “outside the box”. Can you buy out a competitor that is struggling in the Recession? It could result in a real opportunity for you. If not buying out a competitor, perhaps consider a merger with another provider. Owning 50% of a merged business may be better than trying to go it alone.

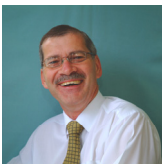
Whatever you do - always try and do it better

As I said in my introduction, this is not an exhaustive list and it is not the intention that all of the suggestions in this booklet are immediately adopted and implemented in every business. Businesses come in many shapes and sizes and some suggestions will be more relevant than others.

The underlying message in every aspect of this booklet is to try and get you to challenge all of your existing processes to ask yourself “Is there a better way to do this?” (whatever this is) or “is there an opportunity passing me by?”

This is very much a best practice approach and therefore this ethos will stand you in good stead regardless of whether we are in recession or in a “boom”.

It’s easy to understand - but admittedly not always easy to do and remember. If you are not sure what to do next - talk to us; that’s what we are here for.



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