

MONTHLY NEWSWIRE

April 2016

CRANE & JOHNSTON

CHARTERED CERTIFIED
ACCOUNTANTS
REGISTERED AUDITORS

Dear Client

Welcome to our monthly newswire. We hope you enjoy reading this newsletter and find it useful.

Best wishes
Crane & Johnston

Understanding PESTLE analysis

PESTLE, also known as PEST analysis is a term used in strategic marketing, which describes a framework of macro-environmental considerations used for the development and management of a business strategy. It considers political, economic, social, technological, legal and environmental factors and their impact on a business's strategy. PESTLE is a method for systematically identifying and evaluating those external factors that play a large role in shaping your company's sector of the market and its chances of business success.

Political Factors

These determine the extent to which the government and associated politics intervene in a certain industry or the economy. These may include significant changes to the business environment such as new taxes and regulations (trade tariffs, employment and environmental regulations etc.).

Economic Factors

Anything that has a major impact on the economy such as economic growth patterns, interest rates, inflation and exchange rates should be considered in this part of the PESTLE analysis. When making important strategic marketing decisions the business needs to consider the influence the economy may have on the firm's ability to sell its products or services.

Social Factors

Cultural determinants like demographics, growth trends, health consciousness, customer attitudes, etc. affect the demand for certain products or services. Consider your marketing strategy in the context of social norms, current trends and how these trends are likely to develop over time.

Technological Factors

Consider current technology and advancements that are on the horizon. Innovations in technology can affect the firm's operations and the market in which it operates. The business needs to consider technological factors such as automation, research and development, connectivity, e-commerce, etc.

Legal Factors

Regulators are becoming more powerful and the legislative burden on businesses is arguably greater than ever. Your team needs to consider the legal factors that will affect your business now and in the future. This could be anything from data protection regulations through to employment legislation.

Environmental Factors

These are ecological aspects such as weather and climatic changes, tourism, farming, insurance, geographical locations, etc. An awareness of the impact of these factors is crucial in order to develop and deliver an effective marketing strategy that can succeed in the environment in which the business operates.

Implementing Value Pricing

Many businesses are stuck in the outmoded approach of time based billing, undercharging and setting fees based on what the competition is charging; a situation where the client and the market is driving your rates and not you. Value based pricing advocates that the customer is the ultimate arbiter of value. Here are a few tips to help you to implement value based pricing in your business:

Be clear on who you work with

Jeff Bezos, the founder of Amazon is famous for saying "start with the customer first and work backwards." This is an excellent approach, and it begins with getting as clear as possible about your ideal client - what they look like, their needs, wants and desires. Clarity is power, and working with everyone who comes through the door just leads to frustration and takes you away from providing an excellent service to your top customers.

Develop a healthy level of self-esteem

Having a strong sense of self-worth and self-confidence prevents under-pricing, offering discounts at the first objection and having to chase for payment after the work is complete. It is difficult to quote a fee which is outside of your comfort zone, especially if you do not believe in yourself, or have the confidence in the difference you can make to the client's end result.

Set clear objectives

A key aspect of value pricing is relationship building and helping the client to see how much they will benefit in the end. Be clear about your customer's objectives. Set milestones and objectives aligned with those of your customers. Measurements or some form of key performance indicator reporting can be a great way to assess progress against agreed objectives. A useful approach would be to get the prospective client to explain how they would measure that the project or service implementation is a success.

Create packages for your services

Some businesses have different levels of service for different types of customers. Maybe your SME customers need one package and your international corporate clients require a very different package. Each should be valued in price based upon the value and service they deliver to the customer. Think about your customer and offer different entry points for them to use your services.

What makes your business unique

Think about what sets your business and its services apart. Is it your reputation, knowledge, experience, or are you in the right place at the right time? Help your clients to understand that in buying from you, they are getting a product or service that is better than what they may have sourced elsewhere.

Writing a successful proposal

The proposal should be a summary and not an exploration of your customer's needs. It should be a clear explanation of what you understand their requirements to be, how they will be measured and the value to their business. Let this be the background around which you develop your fee proposal.

Working with Millennials

Born between the years 1980 and 2000, Millennials are also known as Generation Y. The oldest Millennials are now 36 and are moving into more senior business roles. Many think that Millennials have been pampered by their Baby Boomer (Generation X) parents. A lot has been written about this generation's I-come-first attitude, their affinity to social networking, fondness for all forms of consumer electronics, and constant need for feedback and change, but these attributes shouldn't necessarily be considered as negative. Millennials can be a welcome addition to any team. They may be somewhat non-conformist but are constantly challenging the conventional way of doing things and tend to innovate and drive change.

Communication

Millennials are often berated for their reported lack of communication skills. This is largely attributed to their mastery of text messaging which utilises abbreviated words and extensive use of social networking sites which encourages informal communication. Sometimes this abrupt style of communicating is manifested even in their dealings in the workplace. This is counter balanced by the fact that Millennials communicate a lot - and communication is key to the success of any business. The key is to channel this need to communicate. If they have a good network within their firm - Millennials will be able to bring people together and disseminate information across the business.

Commitment Issues

In contrast to the baby boomer parents who often viewed their job as a "job for life" and remained loyal to the firm, Millennials have no qualms about jumping from one job to another. Their lack of commitment to any business is such that even if they were offered higher pay or more ideal working conditions, they would still move on if they felt like it.

Career Advancement

While Millennials don't always see themselves staying with a company for the long term, it doesn't stop them from aspiring to climb the career ladder - and fast. Armed with confidence and university degrees, Millennials manage to advance themselves quickly but they may lack the management skills needed for higher positions. In addition, they are bound to clash with the more embedded senior employees who are adamant about sticking to the traditional corporate norms.

Work Habits and Attitudes

Millennials are also not keen about keeping to the usual 9 to 5 schedule that comes with the traditional desk job. While they do value structure, they tend to thrive in a creative environment that doesn't put too much emphasis on when and how a job is done, only that it gets done. And with their adeptness for anything electronic, they tend to innovate through the use of systems and technology to find faster and better ways of getting things done. Millennials need to be given the space to do things in their own way and in return the business should benefit from innovative solutions created by these smart employees.

Samsung Galaxy S7 Edge

Samsung recently launched its new Galaxy S7 Edge and S7 smartphones, a premium alternative to the Apple iPhone 6S.

The Galaxy S7 Edge's curved screen makes using the S7 Edge surprisingly immersive and provides welcome extra space on the screen. While it shares the same internals and specifications as the Galaxy S7, the Galaxy S7 Edge has a bigger screen which measures 5.5 inches. It has a slim, premium design made from high end materials.

The screen is made from Gorilla Glass which is extra strong and resistant to scratches and cracks. The QHD Super AMOLED screen has a very impressive resolution of 534 ppi.

The Galaxy S7 Edge is waterproof and dustproof with IP68 certification. That means it can survive 30 minutes in up to 1.5 m of water. In terms of hardware, almost everything has been upgraded over the previous S6 Edge. The processor is 30% faster and comes with 4GB of Ram. There is also a new graphics processor which is 64% more powerful. In terms of storage, the Galaxy S7 Edge comes with 32 GB build in and also has a micro SD card slot so that you can expand the storage of the device as much as you need.

The S7 Edge also has a new battery which has nearly 40% more capacity than the S6 Edge. This should mean much better battery life, even in light of the more powerful hardware.

The camera has a 12MP sensor with improved low light capabilities compared to the S6. In terms of other interesting features, the S7 Edge features wireless charging which Samsung claims can charge the phone in 100 minutes. There is a heart rate sensor, infrared, NFC and S-Health features. Samsung Pay (similar to Apple Pay) will be launching in the UK soon and the S7 and S7 Edge are equipped with the necessary technology to take advantage of this once the service becomes available.

The Galaxy S7 Edge ships with Android Marshmallow and is available contract-free from Samsung from £569. However, offers are available from the various mobile phone networks and business users should be able to secure a deal.