

Monthly Newswire

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

October 2016

GAINING A COMPETITIVE EDGE

Competition is a fact of life. The best businesses set the pace and aren't afraid to go their own way. How do you and your firm respond to competition? Are you leaders, differentiators or do you follow the pack?

If you want to move ahead of your competitors, you need to change how your business positions itself within its sector of the market. After all, doing the same thing over and over again and expecting a different result is a

definition of madness.

Being in business is about running your own race and doing it your way. Have a plan and execute it the way you want and at the pace you want to. Running after the competition is no good if they are running in the wrong direction.

Many businesses struggle to identify their competitive advantage and even those that do manage to define it, tend to be ineffective at communicating that advantage. Consider what it is that makes your business unique. What is it that sets your business apart from the competition?

Identify, clarify, and communicate to your prospects and customers why they should buy from you instead of from someone else. Some firms will

focus on being the highest quality provider, others will choose to offer the better service or the lowest price.

If you don't focus on your competitive advantage and communicate that to your clients and targets, you could lose customers. If you don't try to differentiate your firm, they could mistake your competitors as being the same as you.

Tell your clients why you are different and what that difference means to them. Create a marketing message which explains the benefit that using your firm provides. It is important to "sell the benefit" of the service rather than to sell the service based on its features.



KNOWLEDGE MANAGEMENT

Knowledge management in business is all about identifying and developing critical technical and management knowledge and deploying it across the firm in a way that adds value.

Most businesses will have considered the risk of losing valuable knowledge to the extent that when talent walks out the door, the prime concern is losing the technical know-how which those people possess. Exit interviews are reactive, somewhat ineffective and

instead managers should adopt more proactive practices.

Collaboration systems such as internal forums can be useful in encouraging teams to share know-how across the firm. Some firms even create wiki sites which can be searched by staff who need to access important knowledge or information quickly and easily.

The firm should have a central repository, with policies and procedures as well as relevant know-how documents and guides. The majority of this knowledge will be internal and the focus should be on documenting and sharing know-how around operational efficiency and effectiveness.

Your knowledge management strategy can also be customer focused. The key here is to create and share know-how that helps to ensure that customer relationships are maintained, service levels are high and sales volumes are increased. The crucial knowledge is centred around the products or services that the business offers, as well as knowledge about the customers themselves, the market, competitors and other firms in the sector. The majority of this knowledge will be internal with some external knowledge (such as market information) being needed to fully understand the client, your competitors and the sector in which you operate.

Your knowledge management strategy could also have an innovation focus. This involves the creation and utilisation of new and existing knowledge in order to create new products and services. Much of this knowledge will be external and may include market research, analysing client data, etc.

A successful management strategy must identify the key needs and issues within the firm, and provide a framework for addressing these.

SUSTAINABILITY

The “green agenda” has moved to the forefront of the modern business world. Society is experiencing an increasing shift in focus to sustainable business and environmental responsibility.

For businesses, embracing sustainability includes encouraging active preservation of the environment and communities, while also promising attractive cost savings. Many firms have made considerable savings through implementing sustainability programs across their value chains.

Reducing Operational Costs

Low-cost initiatives can have a profound impact on reducing energy consumption. Legislation in the form of tax incentives is also encouraging businesses to implement sustainable practices. This includes property tax exemptions, income tax credits or easier access to financing and government grants. To qualify for these programmes, businesses must either install certain equipment, implement pollution control mechanisms or utilise environmentally friendly materials, recycled components etc.

Strengthening Brands

With the increasing global concern about the environment, businesses can now leverage their sustainability and related achievements, investments, and skills, to strengthen

their value and reputation. Conversely, those businesses that fail to resonate with what consumers and stakeholders deem to be important could see a detrimental impact on their brands.

Improving Employee Recruitment and Retention

The next generation of professionals (millennials) are more environmentally aware and focused on sustainability. They are attracted to businesses that are socially responsible, and want to work for companies with a positive impact on the world around them. Therefore, building your firm's brand around sustainability will help you to attract the best new generation recruits.

Enhancing Innovation

Building a more sustainable business encourages your people to become more innovative. This focus on innovation encourages the development of new products or services and new ways of doing business. Nike, who used plastic bottles from landfills in Japan to manufacture soccer jerseys, being a great example.

TALENT MANAGEMENT

The "war on talent" seems to be raging on. Large businesses are competing to recruit the best graduates straight from university and many firms are prepared to pay well for the most experienced candidates. As a result, all businesses need to manage the talent they already have.

Talent management is often considered to be an HR matter but the management team in any business should be involved in managing the firm's most valuable resource – its people. Start by identifying the high potential people in your firm and work towards developing them and retaining them in the business.

Talent Development.

Create a strategy to hire the best people and nurture them throughout their careers. Managers should set the tone and work to develop employee's skills and knowledge to help them to realise their potential in the firm. Your firm's talent development programme should include theory and practice as well as coaching and mentoring sessions for your high potential employees. If your team feels like they have an opportunity to develop at their current firm, they are less likely to look for opportunities elsewhere.

Learn from Others

Consider what talent management looks like at other firms within your industry sector. What do the biggest international firms do well and what could you offer to your team members that would differentiate your firm from the competition? Even if you run a smaller business, you can learn from the market leaders and implement some of their ideas.

Recognition and Reward

Consider the skills, knowledge and performance of employees and identify those who are high performers and/or exhibit leadership potential. Formal performance appraisals should happen at least annually and “top talent” within the business should be sufficiently challenged with objectives which will encourage them to perform, while retaining their commitment to the firm. The appraisal process should be transparent in order to avoid any potential conflict between employees.

Continuous Professional Development

Good businesses tend to promote a culture of life long learning. All members of your team should be offered access to and encouraged to take part in training courses, development opportunities, etc. Investment in continuous professional development should be viewed by the firm as an investment in the future of the business as today's “top talent” are the business leaders of tomorrow.