

Monthly Newswire

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

June 2018

Smart Contracts

As blockchain technology continues to evolve, we are hearing more and more about so called “smart contracts”.

Smart contracts utilise blockchain technology in order to self-execute. A smart contract is an agreement between two people in the form of computer code. They run on the blockchain, so they are stored on a public database and cannot be changed. The transactions that happen in a smart contract are processed by the blockchain, which means they can be sent automatically without a third party. This means there is no other party to rely on in order to execute the contract. The transactions only happen when the conditions in the agreement are met, so there are no issues with trust, people being available outside of office hours, etc.

Smart contracts can be used where transparent and immutable records are useful. This is why the technology has already found wide adoption in financial services. There is value in ensuring that records of financial transactions are kept verifiable and safe from tampering and fraud.

Companies that have started using blockchain technology include IBM, which has partnered up with companies such as Nestle and Unilever, along with stores such as WalMart in order to manage inventory of certain products.

At such a very early stage in the development of smart contracts it is difficult to know all the potential benefits smart contracts will bring to businesses. As with any new technology, smart contracts will mature, and we should begin to see shifts in how business is done as the technology becomes more mainstream.

Leadership Skills

The best business managers and leaders create a vision of the future that is compelling and motivates employees to want to achieve it. Great business leaders help the members of their team to connect what they do with the business’s overall strategy and its impact on customers.



Communication and Relationships

Communication is an essential leadership skill for any business manager. It is important to communicate with your people often and in a variety of different ways. Whether one-to-one conversations, team meetings, email or phone calls, communication is key.

Regular communication helps to build relationships across the business and also helps to build trust. As a manager, you should lead by example and communicate regularly with your team members, management team, your customers, suppliers, others in the industry and the wider community.

The stronger the relationships you can build the better you will be able to lead people.

Integrity

In order to be a successful business leader you need to be honest, transparent and have a high degree of integrity. The key is to do what you say you are going to do. Some people might be happy to sit back and watch from the sidelines, but great leaders like to get involved in making things happen. In order to become a successful leader you need to persevere, drive your people forward and be accountable. If the buck stops with you, then own it.

Strategic problem solving

Ultimately, leaders are recruited, trained, and chosen to solve problems and to take advantage of new strategic opportunities in the market. This requires good analytical abilities and excellent people skills. At times it is necessary to focus on being tactical, however the best leaders maintain a strategic outlook and don't lose sight of the bigger picture.

Innovation

In order to succeed in business it is important to focus on innovation.

If you stand still, your competitors will overtake you. Innovation can take many forms – perhaps you wish to focus on hiring people with a different skill-set or you want to utilise technology in order to drive efficiency across the business. The best business leaders are innovative people who come up with new and better solutions to problems.

As a manager it is therefore important to continuously develop your technical and professional expertise, stay up to date on new trends in different markets and consider how new concepts can be adopted in order to improve your business.

The benefits of outsourcing

There are only so many hours in the day and you / your team probably don't have the bandwidth to do everything that you would like to do. Outsourcing can save you time and money, but there are many other reasons to consider outsourcing certain business functions.

Increase efficiency

Companies that do everything themselves have much higher costs which must be passed on to customers. Outsourcing allows you to minimise these costs. Time gained back as a result of outsourcing certain functions can be deployed in a more effective way, in order to make the business more efficient.

Control capital costs

Cost-cutting may not be the only reason to outsource, but it's certainly a major factor. Outsourcing converts fixed costs into variable costs, releases capital for investment

elsewhere in your business, and allows you to avoid some large expenditure. Outsourcing can also make your firm more attractive to investors, since you're able to pump more capital directly into revenue-producing activities.

Focus on your core business activities

Every business has limited resources, and every manager has limited time. Outsourcing can help your business to shift its focus from peripheral activities towards work that serves the customer, and it can help your people to set their priorities more clearly.

Risk management

There is a degree of risk inherent in any type of business. However, you can outsource certain risks to the balance sheet of an external provider. For example, Payroll, Tax Returns and Compliance can largely be outsourced, thereby moving that risk away from your people and putting it on the shoulders of the outsourcing firm's team.

Competitive advantage

Outsourcing can allow smaller businesses to benefit from the economies of scale, efficiency and expertise enjoyed by larger firms. If you choose the right outsourcing providers, your business should be able to benefit from the latest systems, technology and processes. This could give your firm a competitive advantage.

Maintaining client relationships

It costs considerably less to maintain an existing client relationship versus winning a new client.

Creating more successful relationships with your existing clients depends on developing a broader and deeper relationship.

Business is personal - people choose to do business with people that they like. Those that develop successful, long-term relationships with their clients tend to become a trusted adviser to those clients. If you become a trusted adviser to your key clients, they are likely to come back to you for more business, send you referrals, seek your advice on strategic issues and pay their bills on time.

It takes a lot of time and effort to make client relationships work year after year. As such, you should ensure that you are focusing on developing the right relationships. Start by focusing on your key clients - those that send you the most work, have the potential to send more business your way and, most importantly, are profitable.

Once you have identified your key clients, create a 12-month plan which focuses on how you are going to develop that relationship. Focus on how you can add value, from the client's perspective.

Schedule regular catch up meetings or calls with your client. If applicable, offer some free training sessions for their staff. Most importantly, make sure you understand your client's expectations and ensure that you always deliver to, or exceed those expectations.

Focus on moving from being reactive to being more proactive. Your clients will value this and your business relationship should continue to prosper as a result.

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