

Monthly Newswire

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

January 2021

New year, new strategy

How to build your 2021 business strategy in the face of uncertainty.

We live in uncertain times and planning for the future is challenging. Rather than paying attention to what you can't do, focus on what you *can* do. For example, when restaurants couldn't serve customers indoors, they transitioned to delivery, take-away and outdoor dining. Regardless of the type of business that you manage, this is the mindset to develop and use for your 2021 business strategy.

Your "can-do" business strategy should start with a list of what is possible. Perhaps you can transition to doing business online, research new markets, or utilise the shift to video conferencing to create a new and more personal experience for your customers while they are in the comfort of their home. Once you have considered what you can do, you can then create some strategic objectives for the year ahead.

Consider how you can shift your business strategy to one that is more customer centric. The best businesses are those that deliver added value to their customers. For example, you could provide new payment options to customers in order to encourage them to make a purchasing decision. Your customers will be more focused on cash flow due to the prevailing economic uncertainty, so offering structured payment plans, 12 months interest free credit and so on, could make your firm more attractive than your competitors.

If you are considering launching new products or services in 2021, you may need to extend the timeline. The world is not back to normal (whatever the "new normal" will be) and supply chains are struggling with issues related to transportation, production backlogs, availability of materials, etc. As such, it would be prudent to allow some extra lead time in your plan for any new product or service launch.

With an uncertain operating environment anticipated to continue for some time yet, it makes sense to have a backup plan. As you develop your strategy, take some time to consider what potential contingencies you can put in place in order to be ready to move in a different direction, should you run into some headwinds. If you are unsure where to start, it can be helpful to research some of the tactics that worked for other businesses, even those that may be operating in a completely different sector. You can then apply the best bits of those tactics to your own strategic plan.

As you develop your 2021 business strategy, you will most likely identify some actions that you can undertake with certainty, which will help you to manage some of the risks that are inherent in operating in uncertain economic times. Perhaps you can bolster your firm's cash reserves, reduce fixed costs, or negotiate better terms with suppliers. By proactively focusing on delivering against these actions, you will keep moving your business forward, which will help to make your firm more resilient in the medium to long term.

Employee wellbeing in 2021

The pandemic has encouraged most businesses to focus on the wellbeing of their team.

2020 has been a challenging year for all of us. As most businesses were forced to shift to remote working, the importance of employee wellbeing moved towards the top of the agenda. Firms around the world were grappling with the challenge of how to keep their team motivated, healthy and productive. So what does employee wellbeing look like in 2021?

A business is nothing without its people. Therefore, focusing on employee wellbeing is a good strategy for building a strong and resilient business. The huge shift to virtual working in 2020 means that more and more people will be working remotely than ever before. As such, it makes sense to invest in weekly or monthly wellbeing events for your team. These don't have to be expensive and could consist of team mindfulness classes, a book club, or a team baking competition over video conference.

Throughout 2020 many firms reported that employees struggled to separate work life from home life as they were literally working from the kitchen table. Many employees struggled to switch off from work and ended up exhausted. Investing in time management and prioritisation training for your team can help them to improve their work/life balance.

Encourage your team to adopt healthier working practices. A sedentary lifestyle is a major health risk. Businesses can do their bit by encouraging people to have standing meetings, take part in monthly fitness challenges or even use a standing desk rather than a sitting desk. Businesses are also focusing on personal development. Employees want to progress in order to have meaningful careers. The best businesses encourage their people to learn and grow which in turn, helps employees to feel valued - so they stay rather than go to a competitor.

Negotiating a new office lease

In the current uncertain economic climate, signing up to a new office lease can be a tricky business.

One thing is certain at the moment and that is uncertainty. How much office space will you need in 3 to 5 years time? Well, that depends on whether people will want to work remotely or not. Do you need a desk for everyone or say, 50% of your team?

The current uncertain trading environment presents an opportunity for tenants to negotiate more favourable terms with their landlords. For example, the rent rate may only make sense if a certain number of people can be accommodated in particular premises. However, the current social distancing regulations may mean that there is room for less workstations or offices in the premises. This might give the tenant an opportunity to negotiate a lower rent on a staff headcount basis. Large landlords who are sufficiently capitalised to absorb the reduced cash flow may be willing to agree to slightly lower rents in order to get a tenant in place. The current market may also give businesses an opportunity to incorporate more favourable clauses into a lease agreement.

One of the key clauses to incorporate into your lease is a break clause. A break clause gives you the right to end the lease early by giving the landlord an agreed period of notice. This gives you some flexibility to terminate the lease if economic factors or personal circumstances impact your requirement for the premises in the future.

Another useful element to include is a sub-letting clause. This allows you to pass on some of the premises to another lessee if you don't need all the space right now.

If your business becomes smaller in the future, you may want to be able to sub-let some of the premises in order to generate additional income that you can use to off-set against your lease payments.



Trying to secure a commercial lease with beneficial terms can be a challenging and complicated process. Getting legal advice from an experienced lawyer is a very good idea and it could save you money in the long term - for example if you need to terminate the lease early.

Managing tension in remote teams

Remote working is quite new to most people - so it is inevitable that there may be friction between people from time to time.

Remote working presents its own unique set of challenges, such as miscommunication, which can lead to friction between team members. These issues tend to be avoidable when physical face to face communication is possible but things can easily be misconstrued when said in an email.

When managing a remote team, it's important to look out for recency bias - the tendency to place more importance on things that have been seen more recently. Some people are better than others at overcoming this bias and keeping themselves front of mind with their colleagues. Managers need to think about the whole team rather than those that they may have spoken with more recently.

In remote teams there is always the danger that quieter, more introverted team members could feel that they are "out of sight and out of mind". Managers need to ensure that everyone, regardless of their location or timezone, has a sense of belonging and of being "in the loop" on day to day matters.

When choosing who gets to work on a new project or opportunity, managers must think about their whole team and tap into the full pool of talent, regardless of how visible they are in the organisation.

Most firms have had to change quickly in order to adapt to remote working. The culture and in-person relationships from the office tended to carry over to remote teams, at least initially.

However, over a period of a few months, that social capital tends to run out. As teams adapt to working in remote environments, managers need to be deliberate and intentional about establishing team culture.

Culture and the feeling of being part of a team will not establish itself so it is down to the manager to drive this. Regular communication is key and managers can drive this through setting up weekly team meetings as well as structured monthly one-to-one meetings for team members. These regular meetings also give team members an opportunity to discuss any challenges or difficulties that they are facing. This can help to reduce tension between team members as any difficulties are discussed and actions to resolve the issues can be agreed in order to nip any problems in the bud.

