

# Monthly Newswire

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

May 2019

## How to raise your prices without losing customers

### The cost of running a business goes up every year, but when was the last time you increased your prices?

Many business owners and managers worry that if they were to increase prices, they would lose customers. However, a customer will often be willing to pay a higher price if they feel they are getting value for their money.

A good way to increase your prices can be to bundle products or services together and offer the combined bundle at a price that offers value to the customer. For example, a phone contract might have a higher price but it may include a bundle such as unlimited calls and 20GB of data per month. The key is providing value to the customer.

Find a way to differentiate your offering. Perhaps you could offer new online services to your customers such as an online portal or an app. Maybe you could create faster, more efficient processes so that your customers get a faster, more efficient product or service from your firm, compared to the competition. If you offer something that is seen to be the best in its class, that offers a benefit to your customers, you may be able to increase your prices.

You can test a higher pricing strategy on new customers. Your existing customers might be resistant to a price increase but new clients will be unfamiliar with your pricing so they may accept the higher price if they feel that you offer more value to them than your competitors.

If you do increase prices for your existing customers, you need to communicate well and explain clearly why you had to make the decision to increase your prices. Do your market research to make sure that your pricing isn't completely out of line with competitors. If your business is not significantly different to the nearest competition, you may run the risk of losing clients.



Large sudden jumps in your prices will not go down well. Instead, introduce gradual increases such as 5% or 10% per year, depending on the type of business that you run. Everyone knows that the cost of doing business goes up each year. If you communicate with your customers, they may be more receptive to small increases.

## Managing difficult people

### Managing difficult people can be time consuming and emotionally draining.

You can't reason with an unreasonable person. However, there is usually some underlying reason that is motivating them to behave in a difficult manner.

Try to identify the person's trigger. What is stopping them from co-operating with you? It may be helpful to set up a one-to-one meeting. This gives you the opportunity to ask them what their intentions are and why they tend to behave in a difficult manner. Sometimes people just need to feel like they are being listened to.

Perhaps you can agree what it is you can do to resolve the situation. If this doesn't work, it can be helpful to let the person know your intentions and what you are trying to achieve. Explain how your objectives and the objectives of the business align and how you need them to work with you in order to move forward - try to build rapport.

Sometimes we rely too heavily on email and instant messaging, we forget to have a conversation with people. Talking gives you and the individual the chance to build a connection, perhaps through discussing non work-related topics such as hobbies or family.

It can also be useful to get some perspective from others. If an individual is being difficult with you, they may also have been difficult with others. Perhaps your colleagues can help you to see things from a different angle and may even offer ideas in terms of a situation.

If the situation cannot be resolved, it is worth remembering that no one is indispensable. Regardless of how good they may be at their job, you need to look at what the overall cost is to your firm. If other staff are leaving because they are unhappy, perhaps it's best to part ways with your difficult individual and replace them with someone who is easier to work with.

## Delivering Customer Value

### Understanding what your customers really value can help you to market your products and services more effectively.

Customer value is the perception of what a product or service is worth to the customer. Customers don't buy features - they buy benefits. Your customers will buy your product or service because of the benefits that they get. If you take the time to understand what your customers value and what they are willing to pay for, you will be able to market your business more effectively. You may also be able to win new customers from your competitors.

Most businesses make the mistake of thinking about value purely in terms of money. They create special offers to promote their products and services, but all they are doing is cutting their profit margin in a race to the bottom. Sure, there is a place in most markets for a lowest priced competitor but this doesn't work for everyone. Take the airline industry - there isn't room for more than a handful of low cost airlines and that is why many of them are in financial difficulty - their costs have gone up, but there is downward pressure on pricing.

Value is about much more than just money. Put yourself in your customer's shoes - your customers think of value in terms of goals, benefits and results. They are seeking an outcome and this is what drives their purchasing decision. For example, an accountant might save a customer £6,000 on their tax bill and charges the customer £2,000 for doing the tax work. The monetary value to the customer is therefore £4,000. But what if this is only the beginning? What if the customer wants to grow their business over the next 5 years. The accountant could add value by providing advisory services to the customer over the next 5 years, to help them to achieve that goal. The customer would be willing to

pay for that additional service because it helps them to achieve their goal.

The overall perception of value is, from a customer's perspective, also influenced by experience. If the accountant in our example is difficult to deal with and the customer has to regularly drive to their offices to sign paperwork, have face to face meetings, etc. the customer will not think that the service is great and may question whether it is worth the money. Conversely, if the accountant offers meetings over Skype, at a time convenient for the customer and provides documents by email with e-signature capability, the customer may value the convenience and efficient service to the extent that they may even be willing to pay more for that service.

Amazon.com is a great example. The high street is struggling yet the world's largest online retailer continues to grow. Why? Because its customers value the convenience, the vast range of product choices on offer and the ease of purchasing. Amazon has aligned its business model with the values of its customers and that is why it continues to succeed.

## Effective multi-tasking

### In today's fast-paced business world, here are some tips to help you to be more effective at multi tasking.

Over the past 10 years or so businesses have become leaner by reducing employee numbers, focusing on efficiency and increasing the demands on their staff. An increased workload forces us to multitask, which may be effective for a short period of time, but over the long term, can cause stress.

Multitasking is not about "piling on the work" to the point of exhaustion. It's about training the brain to channel energy in an efficient and effective manner so you can accomplish more in less time. One of the keys to learning how to multitask effectively is actually to slow down, in order to accomplish more.

### Set Priorities

Try to think of your brain as a computer. If you are working within multiple programs and have numerous windows open so you can quickly jump from program to program, you may find that your computer crashes a lot, due to the strain. The same thing happens in your brain. When you're performing multiple tasks that require your undivided attention, your brain gets overloaded, as it can only process information from one channel at a time. Therefore, do not multitask if the assignment requires your full attention.

### Useful tools

Make lists and write things down. You can't remember everything so having a central to-do list is helpful. If you have a list of items you need to refer to often (such as pricing schedules or keyboard shortcuts) position this next to your phone or computer for quick access. Diarise some "management time" in your calendar each day - this might be a 45 minute slot where you have no meetings and can take stock, look at your to-do list and work through anything that needs your immediate attention.

### Shift multitasking to single tasking

Your brain cannot multi-task all the time. So, occasionally, stop multitasking and allow yourself to do just one thing for fifteen to twenty minutes. At the end of this "rest period", you'll feel refreshed, alert, and ready to tackle more tasks - and you'll do so with fewer mistakes.

### Take regular breaks

Make the most of your breaks - avoid working through lunch and make sure to take a short break in the morning and afternoon. Use your break to walk around the building, sit outside, or do whatever you like for a few minutes to clear your head and give your brain a rest. Taking this time out during the day can actually make you more productive.