

Dear Client

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

Best wishes,
Crane & Johnston

Setting staff goals and objectives for 2016

Motivating and retaining talented employees is important in any business. Setting goals, standards and objectives for employees and putting an appropriate appraisal process in place allows your team of people the opportunity to have their hard work recognised by the business.

The best way to do this is to clearly set out and agree expectations (by both parties) at the beginning of the year. Progress against expectations can then be discussed throughout the year, and a final assessment can be delivered at the end of the year.

Key considerations

The job description is essential so the employee understands exactly what job is expected of them.

Make sure you set goals for your staff. Goals should be for the whole company and cascade down all levels of staff. Your employees will appreciate seeing how their performance directly contributes to the overall performance of the firm.

Set time frames. If your product development department's goal is to launch a new product, be sure to set a date by when the product should be launched.

Identify dependencies. In the above example, if the product launch is planned for October, make sure to document that your marketing department's goal is dependent on the launch date of the new product.

Stretch targets are objectives that are set slightly beyond the existing goal. Stretch goals work most effectively when they are utilised in a system that is tied directly to bonus or compensation increases.

Agree and diarise quarterly progress meetings. Track your employees progress against set goals and have them support their progress with evidence. Listen, evaluate, and make recommendations to aid progress. If your company's priorities have changed, revise the goals. Ensure that you and the employee have an open dialogue about why, what next and agree on the decision. The aim is for your employee to leave these meetings motivated and involved. Finally, diarise year end appraisal meetings with each team member. The aim is to discuss their progress against their objectives, recognise any successes and set out the objectives for the following year.

Trends to watch in 2016

Social selling

With social media platforms making major moves to enable social selling with original brand content, businesses will have to expand their messages in order to influence their target markets. As users' activities continue to evolve, businesses will have to innovate their social selling strategies. That's all the more reason for businesses to focus sooner rather than later on cultivating personal, social media driven relationships with their customers.

Lean businesses

2016 looks like it could be economically challenging. Valuations are falling, financing is getting more competitive, and plenty of money-losing startups are cutting costs. China's economy is slowing down which will have a knock-on effect on global financial markets. The BRIC economies are no longer the global drivers of growth that they once were. These market forces will encourage managers to build leaner, more sustainable ventures.

Generation Z

The focus on millennials and how they supposedly do and don't work what they want from their careers. has been a theme for the past few years. The oldest millennials are now turning 35. The youngest demographic of new workers are now entering the workforce. Generation Z roughly encompasses today's teens and young adults born after 1995, the oldest of whom are 21 years old. They are the new entry-level employees. They grew up during a recession, in which career opportunities were less plentiful and jobs were less secure. As a result, Generation Z are entrepreneurial.

Big Data is getting even bigger

Both consumer (B2C) and business-facing (B2B) firms are facing intensifying competition when it comes to customer insights, and the data-science field is expanding in order to help meet the challenge. Not all data analysis qualifies as "big data," but solutions are multiplying, and 2016 may well be the year that more businesses seriously ramp up their investments in the field. The ability to develop an integrated, analytical view of customer activities and business operations will become increasingly important to businesses. Therefore, spending on big data projects will most likely grow over the next few years.

The gig economy

Increasing numbers of skilled professionals are driving the growth of the freelance "gig economy". The barriers to acquiring and sustaining freelance projects continue to disappear. Fuelled by cheaper cloud computing, remote work tools, and the spread of enterprise-level technology platforms, the gigging trend will grow. Businesses can take advantage of this by tapping into talent when they need it. This will drive efficiency and reduce fixed costs for businesses while increasing opportunities for freelancers.

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CRANE & JOHNSTON

CHARTERED CERTIFIED
ACCOUNTANTS
REGISTERED AUDITORS

Overseas expansion

Given the increasingly global business world that we all now inhabit, perhaps 2016 is the year to consider expanding your business into overseas markets. Consider these factors when creating your overseas expansion strategy:

Economic conditions:

Probably the most important factor to consider is the economic performance of the country in which you want to invest. Ensure that you and your management team obtain up to date economic reports and forecasts. Study the trajectory of economic growth over the last decade or so.

Tax structure:

You should get some tax advice before expanding into an overseas country. You don't want to set up in a country that has disproportionately high taxation for foreign businesses.

Political stability:

No matter how attractive the market or how big the purchasing power of the country looks at the moment, you do not want to set up your business in a country with regular political upheaval.

Real estate matters:

Do your research and ensure you understand the property market in your target country. Is there tax relief available for businesses who lease office space? Make sure you research the premises costs and get professional advice before signing up to an office lease.

Language and culture:

Make sure you and your team have the necessary language skills and consider hiring local people to assist you in understanding the local culture and business customs.

Skillsets in the local labour market:

If your business requires skilled labour, ensure that the country in which you are setting up has a skilled workforce.

Infrastructure:

Good roads, availability of sea and air connectivity, reliable power and water supply are essential for any business operations as well as good internet connectivity.

Research, visit regularly and plan properly:

Visit the target country regularly before set up so you have a good understanding of all of the above factors. Create a business plan which documents how you will go about setting up in your target country. Use up to date market research in order to understand potential demand for your products or services. Set out your approach and follow it rigorously.

Brand consistency

Your firm's brand isn't what you say it is. Your brand is what your customers say about your firm when they speak to others about your business.

The brand is the personality your business has developed through your leadership and the systems you and your management team have put in place. Customers will be treated consistently and see the same products or be able to buy the same services.

Lack of brand consistency stands out like a sore thumb. When your customers experience your products or services, look at the website, visit your premises, receive business cards or visit your social networks you want the experience to be consistent. Take a look at a Big 4 accounting firm, their offices around the world will have a consistent look and feel. Their reports will have a similar look, feel and quality regardless of whether they were produced in Bristol or Glasgow. That is brand consistency. Regardless of what you see, feel or experience, you will know it's their brand and brand consistency isn't the expensive concept you might think.

Messaging

Your products and / or services should also carry some of the same messaging. If your brand is, for example, "high quality service delivered to all of our clients", then your messaging should refer to this. Equally, in this example, the product or service itself must be of a very high quality.

Service level

You need to agree, as part of your firm's strategy, what the service level is that your firm wants to offer to its customers. Whether you want to offer the best service with a premium price or a low price product/service with a budget level of service, this needs to be consistent across your business. You need to set the expectations of your customer and deliver to those expectations. A customer who is attracted to a budget offering will not necessarily expect premium service, for example.

Look and feel

The look of your business should be consistent across products, marketing materials, websites, business cards, signage, offices, etc. Your firm should agree standard colours, fonts, logos and even staff should project a