

Monthly Newswire

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

July 2021

Developing the next generation of business leaders

Businesses need to invest in nurturing the next generation of talent.

Regardless of the industry that you work in, how you and your management team nurture the next generation of talent in the first decade of their careers can have a huge impact on their prospects for the future.

Given that the world of business is constantly evolving, it can be quite difficult to pin down exactly what career progression looks like for your people. However, one thing is certain, if we don't develop the next generation, we will not have any future leaders.

So what can today's business leaders do in order to support the development of tomorrow's talent?

Fostering a culture of knowledge sharing across the business, between different levels of staff, can give your juniors the opportunity to learn new skills and develop their capabilities.

Businesses also need to recognise the value of soft skills and actively teach them. Good communication skills, critical thinking, conflict resolution and good decision making skills are some of the most important soft skills that future business leaders need to learn as they come up through the ranks.

When developing your team, it's important to avoid a very narrow focus. Professional development and training should be as broad as possible in order to expose your future leaders to different challenges and ways of thinking.

A proactive stance on diversity is critical at the more junior level in all organisations. If businesses can be more diverse and inclusive at this point in people's careers, then future management teams will consist of a much broader spectrum of people from different backgrounds.

Protecting your business against fraud

Instances of fraud have increased during the pandemic - what can you do to help mitigate the risks?

Throughout the Covid-19 pandemic, businesses have experienced an increase in the level of fraudulent activity. Many firms have moved their business activities online and with more employees now working from home, there are increased opportunities for fraudsters to target them.

Invoice fraud is on the rise and while not a particularly new scam, it can be catastrophic for businesses who fall victim to it. Invoice fraud occurs when a fake email address is used to contact a business, pretending to be one of the firm's suppliers. The emails tend to mimic those that the firm usually receives from suppliers, including logos and signoffs.

The email will tend to instruct the firm to direct future invoice payments to a different bank account. When the firm receives the next legitimate invoice, they will unwittingly make the payment to the fraudsters bank account. Even if the funds are recalled through your bank, there is no guarantee that the funds can be recovered.

The best way to protect your business against fraud is to educate your staff. Your firm should deliver regular training sessions to all staff on common security threats (online and offline) as well as prevention measures that they can implement. Training should include case studies which show how to spot a fake email address and all staff should be trained to question any request from suppliers regarding changes to payment details and so forth.



Next, you should focus on defending your firm's systems and data effectively. These days, most financial transactions take place online, so put appropriate systems and processes in place to prevent fraud.

Your firm should also invest in an up to date cyber security software package including a firewall, data encryption, automatic back-up of all data and password management. Finally, all staff should change their password on a regular basis.

Crowdfunding

What is crowdfunding and how does it actually work?

Crowdfunding is a way of raising money for a business venture, personal endeavor, or charitable cause, where a large number of people invest in or donate money to the cause.

Crowdfunding is becoming more popular with startup and early-stage businesses which can often struggle to secure funding from traditional lenders such as banks or financial institutions.

As the name suggests, crowdfunding is about engaging a crowd of people to co-fund a particular project. Funding for say, a startup business, can be provided by hundreds or even thousands of individual investors. They all come together to provide money to get a project off the ground and all share in the risk or reward of that project.

Crowdfunding works well in today's social media driven environment as it's all about telling a story and inspiring people to invest in your particular venture. There are different types of crowdfunding including donation based crowdfunding, equity crowdfunding and debt crowdfunding.

Donation based crowdfunding is where people simply give some money to a new venture. Those who donate often get something tangible in return, such as being one of the first customers to receive the new product or service.

Equity crowdfunding is popular with business start-ups as it allows the new business to offer some shares in exchange for incoming capital.

Debt crowdfunding allows individuals to act as private lenders. Those lenders can spread risk by pooling their funds to lend to a wide variety of businesses.

The debt must be repaid and the repayments usually happen on a monthly basis.

Popular crowdfunding platforms in the UK include Crowdfunder, JustGiving, Crowdcube and Funding Circle. Different platforms suit different needs so it is worth doing plenty of research before deciding on using a particular crowdfunding platform.

Closing the deal

Closing a deal is arguably the most important part of the sales cycle.

Your firm might have a database full of potential leads, your products and services could be the best in your market sector but if you can't close a sales deal, then your business development and marketing efforts will be wasted.

The key to making a sale is to focus on the customer and putting their needs first.

Do your research

No matter what industry you are in, knowing the decision maker is key to closing a sale. In many cases, the decision maker will send someone else to go out and verify all the options that are available. You will have to do your research in order to understand who will ultimately be making the purchase decision and try to understand their needs, the solutions that they are looking for and so on.

Focus on solutions

Don't try to sell your products or services. Instead, take the time to understand what the problems are that your customer is facing. Try to connect the dots and illustrate how your product or service offers a solution to their particular set of problems. This will help your prospect to understand how your product or service fits with their particular needs.

Objections

Be prepared to handle some objections. Potential clients will have some concerns – maybe they think that your offering is a bit more expensive than your competitors, for example. Rather than resort to discounting, take the time to explain how your product or service offers greater value.

Ask for the sale

If you have answered your prospect's questions and provided them with an understanding of the solutions that you can provide, then ask for the sale. Illustrate that you understand their particular requirements, be confident but not arrogant.

A polite but confident way to ask for the sale could be to offer to produce a proposal document which includes the details of the products or services and the pricing proposal for the client to consider. You can then follow up in a day or two, to ask the client if they would like to progress with the proposal. This helps to create a sense of urgency which can encourage your prospect to move forward and close the deal with you. If they are teetering on the edge, this is the time to offer any potential discounts. For example, "if you sign today, I can reduce the price by 5%."

Next steps

Follow up promptly with any paperwork in order to finalise the sale. Ensure that you provide your new client with any information that they need and if necessary, arrange any training that will be required, to get them started with using your products or services.

Whether you make the sale or not, you should always follow up. If you did not succeed this time, ask the client why they chose to go elsewhere and what you could do differently next time. You can use this feedback to refine your sales approach, which will help you to become more effective in the future.