

Monthly Newswire

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

February 2020

Innovation Champions

Innovation is key to building a resilient business

The word innovation can conjure up images of disruptive developments such as online streaming services or companies such as Uber. Fortunately, innovation doesn't have to happen on a grand scale to make an impact in your business.

Driving innovation in any business begins with creating and encouraging an innovative and forward-thinking culture to allow your employees to bring new and interesting ideas to the table, and put them into effect. Your employees need to feel free to contribute, to feel their contribution is acknowledged, appreciated and taken into consideration.

You need to break down barriers between management and employees and ensure that there is regular two-way communication. Creating a team of innovation champions can help. Instead of putting innovation on the backburner until an opportunity presents itself (which it might not), task the right people in your business with driving innovation in a proactive manner. If your innovation champions have a particularly heavy workload, perhaps re-allocate some of their roles to allow them time to devote to driving innovation.

When things go well, it is good to celebrate success. However, your innovation champions shouldn't be afraid to make mistakes. Managers need to help employees to feel comfortable and ready to share.

Good ideas should be recognised but equally, ones that don't get off the ground should be applauded as something to learn from for the future.

Driving innovation involves focusing on what you do and what products or services you sell to your customers. Customer feedback can be used to drive innovation. Your customers are generally happy to tell you what it is they want from your firm. Perhaps they want flexibility or they really value quick turnaround times. Spend time gathering feedback from your customers and share this with your innovation champions.



From your perspective you don't ever want to give your customers a reason to go elsewhere. Make this the central focus of your innovation strategy and task your innovation champions with finding new and better ways to keep your customers coming back again and again. Perhaps the solution to the problem lies in doing simple things a little bit better or perhaps you can utilise technology to make your product / service delivery more efficient. Focus on your customers, listen to their feedback and let that feedback drive your innovation strategy and the activity of your innovation champions.

How to manage salary and bonus conversations

Talking about money with your employees can be uncomfortable. Even when you have good news for an employee, discussing pay can be difficult.

An employee's performance is inextricably linked to their salary and bonus. However, discussing the two together can lead to the employee focusing only on the conversation about pay. As such, managers should discuss performance in a separate meeting prior to any discussion about pay or bonuses. This ensures that both conversations are heard clearly by the employee, and expectations can be managed, prior to any conversation about compensation.

When a salary and bonus conversation gets tough, it is often because an employee is not getting the information they need or the manager feels that they can't answer certain questions. Managers need to have key information to hand such as pay scales for the various roles across the business, details regarding potential for pay increases or promotions and any other key information such as company performance and how this has affected the salary and bonus figures this year etc.

If a salary and bonus conversation is not going well, managers should spend more time listening to the employee in order to understand where they are coming from, what their concerns are etc.

There is often a lot to be gained by managers who are curious when it comes to having tough pay-related conversations. For example, they might learn that an employee feels that their job has not been correctly benchmarked against competitors or the wider market.

More often than not, a challenging conversation around salary and bonus will require a follow up meeting, giving managers an opportunity to come back with more facts and secure a positive outcome with the employee.

TikTok

What is TikTok and does it work as a social media platform for businesses?

TikTok is a video-sharing app that allows users to create and share 15-second videos on any topic.

It was launched in 2017 for both iOS and Android devices and has grown in popularity. TikTok was the most downloaded app in the US in October 2018 and reportedly has over 500 million active users. The app has paid partnerships with several celebrities, in various regions, who promote the app to local audiences, a strategy which seems to have driven the rapid uptake of TikTok.

TikTok is available in over 150 markets and in 75 languages. There is also a specific China-only version of the app called Douyin which is run separately, in order to comply with Chinese censorship restrictions. There are no such restrictions on TikTok.

The TikTok mobile app allows users to create a short video of themselves, which often features background music, and can be sped up, slowed down or edited with a filter. TikTok has

a "react" feature, which allows users to film their reaction to a specific video. The videoed "reaction" is then placed in a small window, on screen. TikTok utilises artificial intelligence to analyse user's preferences and interests through their interactions with content. The app then feeds more relevant content to each user. Content can be tagged. The platform offers memes, challenges and entertainment content. The key priority of TikTok is to encourage users to have fun.

Given the popularity of TikTok, businesses are beginning to think about how to use the platform to reach out to target audiences. TikTok offers an interesting opportunity to target a very specific demographic – Generation Z. The bulk of the app's users are 24 years old and younger. Users typically spend 52 minutes per day on the app and 29% of monthly users open TikTok every day.

Undoubtedly there is an opportunity for businesses to engage with TikTok as a new way to promote themselves, and chances are your competitors aren't using it yet.

Breaking up in business

Sometimes things don't work out in business and it's time for the owners to go their separate ways.

It's fair to say that business relationships usually begin with enthusiasm and passion, grow through balance and communication and endure the highs and lows of life. Sometimes, however, businesses don't weather the storm and things come to an end. As such, it is important to have a plan.

In business, having clear agreements around how the partners can exit the business is acknowledged as good

practice. As such, it is important to have this conversation at the beginning of a business partnership and document it.

When selling or exiting a business, it's important to remain professional. You might feel disappointed over a failing business partnership but angry or emotional communications won't help the process. Take your time, remain calm and if you find yourself drafting a sharp-toned email, save it to your drafts and review it again the next day before deciding whether or not to send it.



Always seek professional guidance - there are lots of financial and legal experts in the market who have considerable expertise in this area and who can help you to successfully exit your business.

When the time comes, you need to have a good understanding of your firm, its financials, any outstanding issues, etc. If you and your business partner(s) decide to sell the firm to another company, the buyer will be keen to download your knowledge of the business. If you can explain things in detail to the potential new owners, it will help to build their confidence in the deal and could positively affect how much value they assign to the purchase.

Financial issues and long-term partnership agreements can complicate matters. However, you should aim to exit your business in a way that is mutually beneficial and satisfactory for everyone involved.