

MONTHLY NEWSWIRE

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CRANE & JOHNSTON

CHARTERED CERTIFIED
ACCOUNTANTS
REGISTERED AUDITORS

Dear Client

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

Best wishes
Crane & Johnston

FIRST IMPRESSIONS COUNT

You only have one chance to make a good first impression. Here are a few tips to help you to make a good first impression with new clients, contacts and during business meetings.

Focus

Being known as a 'natural' at interpersonal communication is not just a gift that a select few enjoy. We can all enjoy the reputation of being a great communicator. Focussing the conversation on the other person takes the pressure off you. Avoid interrogating your new acquaintance, and even if you are nervous, make sure you always slow your speaking rate down.

Presentation is everything

Adjust your posture, stand up tall and adjust your voice and gestures to a positive setting. Establish rapport with your new contact by mirroring their head nods and tilts. Speak at their pace and volume level. You'd be surprised by just how many different 'voices' a successful salesperson uses in a day - they spend a large amount of time mirroring the other person's gestures, voice, language, pace, intonation and volume.

It's about them

Encourage your contact to talk about their business, their successes and their achievements. Don't make it about you - give them the opportunity to talk about themselves. Do your research before you meet your new contact. If their firm has been in the press for positive reasons then refer to it and compliment their business. Then step back and let them talk. Ask questions and listen - you have two ears and one mouth so aim to use them in that ratio.

FOOTBALL CLUB RECEIVES £23,000 AUTO ENROLMENT FINE

Auto Enrolment is a duty and cannot be ignored. One way or another it will affect your business. The Pension Regulator has issued a £23,000 fine to Swindon Town Football Club and more £400 fines against employers who haven't dealt with it properly than ever before. Employers are leaving it too late to comply with these duties and either get fined or have to spend considerable extra time and effort dealing with complex rules and pension issues than they have to. Contact us for further details. Let us help you thorough this process so that you can spend your time managing your business.

KEY ACCOUNT MANAGEMENT

Anyone in business will tell you that it is easier and cheaper to sell more products and services to an existing client than it is to go out and find a new client. Key Account Management or "KAM" is all about focusing on your key existing clients – your very best customers. In theory, this is the perfect way to increase your profits and develop better relationships with your most valuable clients. If we apply the 80:20 rule then, in an average business, 80% of profits tend to be generated by the top 20% of the clients.

So, these key accounts are the most valued customers of a business. A KAM strategy is a marketing and business development approach which focuses on taking special care of these customers. Each key account should have a business plan, dedicated resources (such as an account manager or single point of contact in your firm) and should be identified throughout your business as being a strategically important relationship.

The most important thing here is to select the right customers for investment. Many businesses tend to underestimate the importance of this step and often show a casual attitude when it comes to selecting the right clients to develop. Some firms simply select all their big clients. There is nothing wrong with that strategy; however, they often fail to consider the potential to grow those particular relationships. After all, just because a client is big doesn't necessarily mean it is particularly profitable.

In creating a KAM strategy you should also consider resources. There is no point in creating a strategy to develop 60 key clients if you only have the resources to actively manage 10 key clients. These key client accounts will need to be managed in an active way and this will require time and effort. Ideally, you will want to create a specific business plan for each key client relationship and you will need to dedicate some financial and people resources in order to execute these business plans.

Key account management, if executed well, can be a very effective marketing strategy in that it focuses your firm's business development and marketing resources on the targets where you are likely to make the biggest impact.

HOW HIGH SHOULD YOU AIM WITH YOUR BUSINESS STRATEGY?

Every business owner or manager knows that in order to succeed and grow the business, some big thinking is often required. But how high should you aim? The process of setting strategic business objectives is harder than it looks. It takes a lot more than setting stretched goals to actually see any real achievement, and there are often hidden challenges, particularly when it comes down to the execution.

Aiming high helps

If you aim high in business, even if you don't quite make it, you will inevitably end up doing much better than you would have otherwise done. When setting your strategic objectives, thinking differently about goal setting can be a real game changer. For example, setting a goal to double the size of the business versus one to increase in size by 10%, will push your business much harder. The 10% goal drives thinking about how to stretch the current business, using the existing tools and assumptions. It is merely building on an existing solution that many people have already spent a lot of time thinking about. In contrast, doubling the size of the firm requires a different mindset; one that moves away from the tendency to think in an incremental and linear manner. This opens up new possibilities that would never have been considered otherwise as the business must focus on creativity and innovation - the kind that, literally and metaphorically, can push the business to the next level.

Making strategic goals manageable

Stretched goals or targets are by definition very big. They are risky and can take several years to achieve. The details of how to accomplish these objectives will not be known when they are set. Odds of success can be improved with a disciplined strategy execution, and a 'small wins' framework can often help. The objective is to break a larger goal down into smaller, manageable but interlinked parts. For each sub-goal, the team must define the various streams of work required, explicit outcomes, key deliverables, due dates, and a single owner for each component. As such, it will allow for visible and measured progress towards the completion of the larger goal while generating consistent action. Regular updates and team meetings will encourage people to be accountable for their part of the project. This will help drive consistent execution of tasks.

What separates great businesses from those that are merely good are not just the stretched target and strategic goals they set themselves to achieve but also the way they think differently about setting those objectives, and the discipline with which they implement them.

STAFF INDUCTIONS

The quicker a new staff member is made aware of the procedures and policies of their new workplace, the sooner they are able to comply with company expectations. Your staff induction program should be delivered in a simple format that explains your firm's policies and procedures, your expectations of them and their specific responsibilities.

In addition to helping new staff, an induction can be useful for helping employees who are returning from extended leave or are taking on a new role in the business.

Mix formal and informal components

Effective staff induction programmes tend to have a mix of formal and informal elements. A relaxed format will help to put your new employee(s) at ease. After all, the first few days in their new jobs will be stressful so anything the company can do to alleviate this will create a good first impression. You want your new employees to feel welcomed and the format of the induction programme should convey this message. It is important, of course, to ensure that the formal aspects of the induction are covered too. So, presentations and training sessions on things like health and safety, legal requirements and systems should be scheduled into the new joiner's first few days. A staff induction booklet that compliments the training is a useful reference tool for new staff members. There is often a lot of information to take in on the first day of work. Your staff will appreciate the fact that they have a document to refer to later on (rather than having to bother their manager every few minutes). Don't forget to cover the basics such as core hours of work, pay and leave entitlements. The induction should also cover things like fire escapes, break areas, toilet locations, etc.

A positive experience

The importance of making a good first impression should not be forgotten. Employers who welcome new employees with a commitment to open communication, formalised policies and procedures and a positive work environment are rewarded by enthusiastic staff. Employees appreciate when an effort has been made to welcome them. Good relationships are the foundations of good businesses. So think of your induction training as your way to make a great first impression on new joiners to the business.