

Monthly Newswire

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

September 2022



Retaining employees through high inflation

Inflation is running at an all time high. How can businesses support their employees through these difficult times?

Businesses around the world have managed their way through formidable challenges due to the pandemic, and now they must contend with inflation.

Inflation is running at a 40-year high and this puts upward pressure on salaries. To hold on to employees, businesses are having to dig deep and find the budget to give employees salary increases that keep pace with the cost of living. The current rate of inflation creates several challenges for businesses. Employees are expecting salary increases, but businesses are also dealing with other costs such as rent, electricity and increased fuel prices.

Due to the much publicised “Great Resignation” since the pandemic, many firms are also dealing with a scarcity of talent. Failing to boost employee compensation may mean that more employees go elsewhere.

So, what can firms offer to their staff other than (or as well as) increased salaries? Well, the pandemic has cemented the expectation of flexible working. Perhaps your firm could offer more flexibility and more autonomy to your employees? Offering your employees the freedom to work when and where they want, with access to a physical office or place of work when needed, may be something that they would really value.

Another strategy may be to offer increased learning and development opportunities for your team. Equipping your employees with the knowledge, skills and experience to develop in their careers may be more valuable than a pay rise. Training them may also help them feel more valued and their loyalty may increase as a result. Finally, there may be additional benefits such as healthcare, dental cover or a gym membership that you could offer your employees which they may value as much as a pay rise.

Tough times make us better leaders

History tells us that great leaders tend to emerge during tough times.

The economic outlook is currently quite gloomy. There is a lot of talk of a recession; costs are rising; there is a shortage of talented employees and the economic landscape is shifting daily.

So, what do the best business leaders do in order to thrive during tough economic times? To start, focus on what you need to get right and stop worrying about the things that are outside of your control.

There will always be some level of uncertainty in business, so do your best to make decisions using the best information that is available, but don't worry if you don't have all the facts.

The best business leaders focus on achieving their overall strategic objectives. They show initiative, assertiveness and discipline.

During uncertain times, people often look to the leaders of their firm for guidance. As such, authenticity is key. An authentic leader is committed to learning and understanding the key strengths, weaknesses, and opportunities from each part of the business.

Ask questions and listen actively to your team members. Ask them to share their views and involve them in making some of the decisions. This will help your employees to feel like a more cohesive team and will build confidence in the leadership team.

In a turbulent market, businesses become more risk averse. Most management teams will tighten budgets and may even reduce the size of their workforce.

However, scaling down investment programmes and cutting the size of your workforce too drastically can have a very negative effect on long term growth, as well as employee morale.

Instead, focus on optimising your business to weather the storm. Consider where you can gain some ground from competitors who perhaps cut back a bit too much. Maybe there will be an opportunity to hire some of their talented employees, or even win some new clients if they don't have enough employees to service.

Finally, do some reading. Read case studies on successful leaders of the past and how they weathered the storm of a difficult economic scenario. What can you learn from them and how can that make you a better leader? Tough times present you with the opportunity to reshape yourself as a highly effective leader.

Klarna

What is it and how does it work?

Klarna is an innovative payments company based in Sweden. It was started in 2005 by three students and offers payment solutions for businesses and consumers.

Klarna offers “buy now, pay later” payment plans for both online and in-store purchases through its mobile app. Klarna is particularly well known for its “Pay in 3” payment plan which allows customers to pay for their purchase over three equal installments, with the first one due at the checkout.

Klarna also offers a “Pay in 30” payment plan which allows customers to pay for an item up to thirty days after the item has been purchased. Both payment plans are interest-free.

For businesses, Klarna offers firms the ability to accept credit card payments in addition to the above-mentioned payment plans. The key for businesses is that Klarna pays the firm for the product as soon as the customer makes their purchase.

Even if the customer chooses a buy now, pay later option, Klarna will still pay your business right away. Klarna then takes full responsibility for

collecting the payment and dealing with any refunds.

Klarna makes money by charging a fee to businesses for using its services. The fees are deducted from the payments that are due to business users, (from the customers).

The fees depend on the country you're accepting the payment from, which is worth bearing in mind if you deal with customers outside of the UK. UK transaction fees are 2.49%, plus £0.20.

Klarna has 16million users of its app in the UK alone and about 90 million users globally. Using Klarna gives your business an opportunity to access this huge potential customer base.

However, the real value-add for businesses is that Klarna allows you to offer buy now, pay later options to your customers with minimum risk. In the current environment, budgets are tight and being able to offer these payment options to your customers could help you to close a few extra sales.

Now is the time to focus on being more effective

Don't focus on being busy – focus on being effective.

There will always be pressure to run faster, that's just part of business life. Clients want things yesterday; the team might need more time to deliver and there will always be more to do. Stop focusing on how busy you are and focus on being more effective.

The buck stops with you

Set aside time to plan and really think about your objectives. Build time into your diary every week to spend time thinking and planning. Making plans is only half the battle though, so make sure you also diarise some time to focus on executing your plan. Your

focus should be on getting the right things done in the most efficient and effective way possible.

Be the best at what you do

Get better at what you do and invest time in developing your skills. However, it is important to realise that you can only be brilliant at a limited number of things. For everything else, hire someone who can do those things better.

Stop procrastinating

Work to a mantra of do it, delegate it or dump it. Be decisive and think about the specific actions that are needed to achieve your goals. Avoid sitting around wondering where to start, just start. Do what is needed and do what is effective. Everything else can be delegated.

Automate

Find processes to streamline repeat tasks. This will help you to avoid re-inventing the wheel every time. For example, is there a tech solution for processing invoices or approving expenses? List out your regular monthly tasks and set about automating as many as you can.

Challenge yourself

Ask yourself, “what can I do differently”, on a regular basis. Keep a note of the things you are spending your time on. If this list doesn't align with your list of key objectives, then it's time for a rethink. Benchmark yourself against others. Who are the high performers in your industry and how do you measure up? What can you learn from them? Do they do something that is very effective and could you do it too?

Effective people constantly grow, evolve and make changes to the way they do things. Your focus should be on working smarter, not harder. Focus on delivering your key priorities and keep an eye on how best to adapt as the economic environment evolves. This will help you to be more effective.