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Blue Papers



# Tackling the Top 10 Issues Facing Businesses Today

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Whether Britain is or isn't in a recession (or is coming out of one or going into one!), businesses today face serious challenges as they set a path forward through unprecedented, uncertain and challenging economic times.

Every reader will have their own idea as to what should be featured in a list of top ten issues facing businesses today. Using some artistic license, this Blue Paper blurs the lines a little and features somewhere between 9 and 14 issues, depending on how strict you want to be with the headings.

What everyone can probably agree on is that there are some major issues facing businesses today, irrespective of whether you're running a one man plus company or a multi-national organisation. Many readers are somewhere in the middle, SMEs ranging from start-ups to well-established companies.

Here then are some of the issues you may be facing and more importantly some suggestions as to how to address them.

## Uncertainty

Uncertainty heads the list as far as BMGI<sup>1</sup> are concerned. This US based niche consultancy, headquartered in Denver Colorado, helps businesses to solve strategic, organisational and process problems. They report that 'all human beings, business leaders in particular, find great discomfort in uncertainty'. This uncertainty is coming from all sides: the global economy and any potential recovery, credit markets, environmental issues and regulations. And the reason uncertainty can become a major issue from an organisational viewpoint is that it leads to short-termism. Tempting though it may be to focus on the here and now, reacting to and dealing with crises as they arise takes no account of the future and how your company will need to look two or three years from now.

### Recommendation

Strategic planning is paramount but, in these uncertain times, this should go hand in hand with contingency planning around "what if" scenarios.

<sup>1</sup> <http://www.bmgi.com/problem-solving/articles/top-ten-problems-faced-business>



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Set yourself Key Performance Indicators (KPIs) that are useful and relevant to your organisation – whether that's the number of new customers acquired in a month, units sold, phone calls made, number of web visitors or any other measure. Monitoring KPIs on a regular basis should ensure you've got an accurate picture of what's happening in the business as well as giving you the chance to be flexible and make changes based on real information rather than assumption. Monitoring will enable you to spot an opportunity or downturn and take action accordingly.

## Planning

Closely linked to uncertainty, you may well be familiar with the proverb: 'Failing to plan is planning to fail'. We're going to attribute it to Alan Lakein, a well-known author on personal time management<sup>2</sup> despite references online attributing it to both Winston Churchill and Abraham Lincoln. Whoever said it first is not too important, you'll still get the point. But if planning is so important, why do some business owners and managers ignore or avoid doing it? Well, put simply it's pretty hard, time-consuming work and time spent planning is time you're not actually earning in the here and now; but it's important to appreciate that although this time can't be attributed to sales at this moment in time - the work done will provide the foundations for the future.

Having a strategic plan with a set of objectives provides a reference point to keep you on track and what's more the process of actually writing the plan allows you to question every aspect of your business from competitors to staff, products and services, current and future markets. It gives the chance to analyse the correlation between each area and how changes in one part of the business could impact on other parts. Whilst some perceive a business plan as something they only need at the start of a business in order to borrow money, an up to date business plan should be an integral part of every successful organisation.

### Recommendation

Ideas on what to include and suggested templates for business plans are available free to download at the Business Link website<sup>3</sup> along with a host of valuable information and testimonials on the value of business planning.

## Leadership

The strongest teams are made up of a variety of 'workplace personality types' from thinkers and doers, nurturers and leaders. Whilst no one type is better than



<sup>2</sup> [http://en.wikipedia.org/wiki/Alan\\_Lakein](http://en.wikipedia.org/wiki/Alan_Lakein)

<sup>3</sup> <http://www.businesslink.gov.uk/bdotg/action/layer?topicId=1073869162>

another, a team works best where there is a good balance and mutual respect for different working styles; (you can read more about [workplace personalities](#) in a previous Blue Paper<sup>4</sup>) and it takes an intuitive and strong leader to make all these personalities work well together.

There is no doubting that leadership styles too vary enormously and some of the world's most successful business leaders are not noted for their 'niceness' (we're thinking Steve Jobs, Henry Ford and Thomas Edison). The good news during a recession however is that, according to psychologist Daniel Goleman<sup>5</sup> (groundbreaking author of Emotional Intelligence), those leaders most likely to be successful during times of difficulty are those with strong social skills, empathy and those who are able to inspire high performance in others. Goleman's studies of outstanding leaders led him to conclude that there are three key qualities to success:

- **Emotional self control**
- **Social awareness**
- **Empathy**

A survey among FTSE350 companies<sup>6</sup> by the CBI published in November 2011, found that of the 122 business leaders who took part 70% said that their level of confidence in the economic outlook had fallen in the previous 3 months yet only 30% of them believe that their company's prospects have deteriorated. 57% thought their prospects had remained the same and 11% that they have improved.

### **Recommendation**

Leaders need empathy and social awareness to identify that their colleagues may feel unsettled by these uncertain times. Communication is a key part of the solution. Consider holding regular update meetings with your team where you discuss company targets and results and progress on different initiatives. For larger organisations, consider making regular posts to the company intranet or how about a Google 'hangout' on the last Friday of every quarter? Check out resources, information and further reading available on Daniel Goleman's [website](#).



<sup>4</sup> <http://info.4imprint.co.uk/wp-content/uploads/WorkPersonalities.pdf>

<sup>5</sup> <http://danielgoleman.info/topics/leadership/reading/>

<sup>6</sup> <http://www.ipsos-mori.com/researchpublications/publications/1450/The-economic-challenges-facing-UK-business.aspx>

## The Human element

Where would you be without your staff? There's many a manager or business owner wondered that from time to time - either positively or negatively! According to the Boston Consulting Group's 'Creating People Advantage: How to Address HR Challenges Worldwide Through 2015' survey<sup>7</sup> of nearly 5,000 executives the top three key 'people' issues facing businesses are: managing talent, improving leadership development and managing demographics. Also according to the report companies are wrestling with the entry of Generation Y (individuals born roughly between 1980 - 1995) into the workforce, the erosion of corporate loyalty, and the gathering significance of the emotional wellbeing of employees.

### Recommendation

It's not all about money either, in many cases rewarding staff with additional time off, an out of hours get together or a token of appreciation often mean more to them than a few pounds in their pay packet. Review your benefits package and consider offering flexibility in the workplace, encouraging staff to participate in activities outside office hours and helping them to improve their work-life balance with family-friendly hours, flexitime and job sharing.

Make sure staff understand the company's targets and goals and communicate company results against these goals. Ensure every staff member has a dedicated annual appraisal as well as on-going training and career development support.

Staff who feel valued and intrinsic to the success of the organisation will be far more loyal and committed and make for a happier and more successful working environment.

## Cashflow

Cash is King! Managing cashflow is almost certainly the keystone to success in business during economic difficulty. The Institute of Directors (IoD) reported<sup>8</sup> figures from the credit reference agency Graydon UK that six out of ten small firms had a bad credit rating. Having a good credit score is important not only when you want to borrow money but also as it affects your ability to secure good terms on trade credit.

### Recommendation

Negotiating favourable trade credit terms and collecting money owed to you promptly can help ease the fluctuations inherent in the very words cash and flow. Consider offering your customers a % discount off their order if their invoice is

<sup>7</sup> [http://www.cchra.ca/uploadedFiles/Content\\_-\\_Primary/Creating\\_People\\_Advantage\\_ES\\_April\\_2008.pdf](http://www.cchra.ca/uploadedFiles/Content_-_Primary/Creating_People_Advantage_ES_April_2008.pdf)

<sup>8</sup> <http://blogs.iof.com/2010/05/19/the-biggest-problems-facing-small-businesses-today/#.TxhKBaVfhip>



settled before the due date.

Over the longer term, if cash constraints still prove to be an issue, consider measures like refinancing. Factoring and invoice discounting are particularly popular methods of funding small businesses and start-ups.

By planning ahead, understanding and accurately budgeting for future outgoings and taking corrective action early if necessary you should be able to keep on top of your company's available cash and ensure that its flow is in the right direction.

## Regulation

For many industries, both in the manufacturing and service sectors, the sheer process of keeping up to date with regulations can be overwhelming. It's not just big business that is affected as even the smallest firms have to comply with health & safety legislation, employment law and environmental regulations. For example, take the new waste regulations that came into force in September 2011.

As Richard Blight, an environmental advisor to SMEs says in his greenwise blog<sup>9</sup>: "For the first time, businesses, including the very smallest, will have to consider the hierarchy of waste options open to them - prevent, reuse and recycle - before disposing of waste." Companies failing to comply with the new regulations could face heavy fines. As well as legal requirements, businesses face increasing pressure from customers and shareholders to become more transparent in how they operate and to demonstrate their 'green' credentials.

Globalisation and the growth of foreign trade have added to the regulatory burden. Understanding international markets and the role they can play in your business growth may be the key to survival for many firms but this comes at the cost of regulations and legislation affecting how you do business in other markets.

### Recommendation

Keep abreast of the issues affecting business as a whole as well as any specific legislation associated with your particular industry. By reading business and industry White Papers you'll know proposals that are being debated and considered allowing you to stay well informed and up to date in terms of compliance.



<sup>9</sup> <http://blog.greenwisebusiness.co.uk/2011/09/be-ready-for-new-waste-regulation-affecting-all-businesses/>



Additionally, you could nominate a member of staff to take on the role of Compliance Officer and encourage them to sign up to your industry's trade association, read their website and sign up for email updates. Chamber of Commerce websites<sup>10</sup> detail issues that affect businesses regionally and nationally. The Compliance Officer could also keep up to date by joining and following forums on industry related websites and reading trade journals. Remember forewarned is forearmed!

## Complexity

As BMGI reported<sup>11</sup> in their Top Ten Problems Faced by Business report: "We know from our knowledge of the patterns of evolution that, in reality, systems tend to become more complex as they evolve, then become simplified again." So take heart, even as you deal with the complexity of more connected and diverse customers and suppliers, your focus needs to be on developing systems and processes to simplify your business model and minimise complexity.

### Recommendation

Begin by assessing all current business processes, ideally with someone not too close to your business. Look at what can be eliminated, combined or improved. For example, are there any stages in the order or sales process that can be streamlined or could time be saved when handling items during manufacturing or packing? Could you visit a similar (non-competing) company and compare notes and share best practice?

## Innovation & Change

Perhaps this heading should actually be Technology & Information Overload!

With many of us dealing with an avalanche of information on a daily basis (both personally and professionally), it may seem virtually impossible for individuals to make clear-headed decisions. Some readers may recognise the metaphorical game of ping pong that sometimes happens when emails are batted backwards and forwards resulting in a delay in the decision making process.

### Recommendation

Employees in many firms have greater technological capability in their hands (via personal mobile phones, Blackberries and tablets) than ever before. The power and freedom technology brings should be embraced; nowadays emails can be



<sup>10</sup> [www.britishchambers.org.uk/](http://www.britishchambers.org.uk/)

<sup>11</sup> <http://www.bmgi.com/problem-solving/articles/top-ten-problems-faced-business>

answered on the go, RSS feeds and website bookmarking allow users to catch up quickly with essential news feeds.

Change happens whether you choose to engage with it or not and it's the savvy business person who is able to sift through what's available via new technology and discern what's most pertinent for them. You never know, the future direction of your business may just depend on harnessing technology that's either available now or just around the corner.

## Sales & Marketing

Even if you aren't big enough to employ your own in-house marketing team, having a marketing plan is absolutely essential. It's imperative to understand what people buy from you, as opposed to what you think you are selling.

Think about this for a minute because it's important! When planning how to market and sell products or services remember that people buy solutions, not products.

### Recommendation

You need to be able to identify and clearly state your company's Unique Service Propositions (USPs) – and shout about these points.

For example:

1. Do you offer the fastest service/turnaround?
2. Are you the cheapest? (Be careful here because you're always vulnerable to someone else entering your market and undercutting your prices)
3. Do you offer products that can be adapted or customised to the exact requirements of the customer?
4. Do you excel at customer service?
5. Is your referral rate good?
6. Is your after sales service the best in the business?

Let's look at an example, Westin Gourmet<sup>12</sup> a supplier of top quality goods,

<sup>12</sup> [www.westingourmet.co.uk](http://www.westingourmet.co.uk)





predominantly meat, but some deli items, online. Their competition is enormous – from specialist butchers through to every single supermarket and corner grocer as well of course as all the other online meat suppliers.

Why would you buy from them? Well, take a look here<sup>13</sup> and they'll tell you themselves. So, taking each of the USPs detailed above, let's see how Westin Gourmet fare:



1. Westin Gourmet has a fantastic service/turnaround on orders
2. They aren't the cheapest but have frequent offers, including an introductory price so you can try the quality for yourself. They also have a price guarantee
3. Although their products aren't customisable they do offer a range of selection packs themed to different occasions and tastes
4. Their customer service is absolutely fantastic – some might say it'd almost be worth amending their order just so they can speak to them!
5. Their recommendation rate is extremely high and you can read Customer Comments on their homepage
6. Their guarantee<sup>14</sup> is unequivocal and would be very hard to beat

And the best bit – the product lives up to expectation!

The government's Business Link website<sup>15</sup> offers a comprehensive overview of marketing basics. [4imprint's Blue Paper archive](#)<sup>16</sup> offers a more in-depth look into related topics and of course there are countless books, journals and professional organisations such as the Chartered Institute of Marketing<sup>17</sup> or The Institute of Sales & Marketing Management<sup>18</sup> that you can refer to.

### **Problem solving**

The final issue highlighted by BMGI<sup>19</sup> as the "lack of a sophisticated problem-solving competency among today's business leaders". They believe this limits leaders' ability to adequately deal with all other issues. BMGI explain that this

<sup>13</sup> <http://www.westingourmet.co.uk/why-choose-westin-gourmet/>

<sup>14</sup> <http://www.westingourmet.co.uk/our-guarantee/>

<sup>15</sup> <http://online.businesslink.gov.uk/lbdotg/action/>

<sup>16</sup> [www.4imprint.co.uk/bluepapers](http://www.4imprint.co.uk/bluepapers)

<sup>17</sup> [www.cim.co.uk/](http://www.cim.co.uk/)

<sup>18</sup> <http://www.ismm.co.uk/>

<sup>19</sup> <http://www.bmgi.com/problem-solving/articles/top-ten-problems-faced-business>

is why some corporate managers and business owners jump from one problem to the next depending on which department is shouting the loudest. Very often it is the fast-changing business environment itself which is responsible for these problems.

### Recommendation

And the solution? According to BMGI: "To do well in the future companies must resolve that problem-solving is the key to business, then develop a robust problem-solving capability at all levels."

### Final thoughts

By producing and following a robust plan to deal with the issues this paper highlights - you have every chance of developing and maintaining a successful business, despite the uncertain economic conditions. Some of the largest companies in the world such as IBM, Apple and Disney were all started during a recession – which indicates there are opportunities even in the most challenging times.

And finally, to conclude this Blue Paper, we'll give the final words to time management guru Alan Lakein: "Planning is planning the future in the present so that you can do something about it now." Wise words.



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