

LAUNCHPAD

You need successful customers

The biggest single risk for small businesses is cashflow. Conversely customers who pay their bills are the most important ingredient for business success. Cashflow and customer development are therefore vital aspects of risk management in your small business.

Many concerns about cash management can be significantly reduced if the business has a strong customer development policy. If the business focuses on developing customers, in most cases, the business will enhance its cashflow prospects. Does your business have a customer retention system for new and current clients?

Do you communicate pro-actively with new clients? You need to advise them of your terms of trade (especially if they are a credit customer).

Do you obtain up-to-date details of all new clients? This ensures that they're on your mailing database for promotional brochures, and so on.

The best new customers are the ones that pay on time. To avoid taking on risky customers do your homework, perform a standard credit check, ask for trade and bank references or even request a Directors' guarantee (if the customer is a company).

Future proofing your customers

Consumers are looking to deal with businesses they can trust. Is your business creating a feeling of trust with the customer? It is a good idea to obtain testimonials, preferably on video, from happy customers and utilise these videos on your website. Do you conduct customer surveys to discover customers' likes and dislikes regarding your business? This might mean you need to fine-tune your business operation.

Staff should be encouraged to show passion and enthusiasm when dealing with customers, highlighting your business' unique selling proposition. You can encourage loyalty from customers by focusing on providing them with superior service, and by offering specials to regular customers. A good customer attraction and retention system should make significant contributions to the small business' cashflow. If you would like us to review your customer attraction and retention system, please contact us.



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The busy-person's guide to effective multitasking in the office

Multitasking. The great 2000s buzz-word. All women know the skill of talking on the phone whilst doing pretty much anything, and men perfected the art of listening to sport and reading the newspaper way back in 1926.

It is a common misconception that multitasking is this art of doing more than one task simultaneously. Of course, in reality, multitasking at work is not doing multiple things at the same time, but sharing bursts of time between two or more tasks in an age where we are constantly interrupted.

But sometimes multitasking can be an ineffective waste of time - why is this? Multitasking is a delicate blend of

organization, prioritizing and balance, not just trying to do everything at once.

Trying to do too much at the same time can lead to multiple unfinished or poorly completed jobs.

The key to effective multitasking is working on only one task requiring complicated thought processes and decision making, and keeping the others basic or mundane. Say, switching between writing a report and buying stationery online.

Pair up tasks which cover each end of the spectrum. Switching between two complicated tasks can leave you with a confused and unfinished mess. Having one complex task interspersed with a

simple one can give your brain the rest it needs, while still utilising that time effectively.

Make a guesstimate of how long your daily tasks will take you. Do any short tasks on their own, as this will be best use of your time. Work two longer tasks together so that you don't get so distracted, for example when you get sick of writing your 10 page report, catch up on your filing, and then switch back again when you're bored.

Next time you start trying to do everything at once, take a second to think about what task works well with another and you'll end up with a much better result.

Multitasking home truths and tips:

1. Emailing and texting during meetings and phone calls is not multitasking. It's called being distracted and disrespectful.
2. Dedicating yourself to one single task is always more effective.
3. Group together similarly themed tasks e.g. paying bills, reconciling bank statements and writing financial reports. This way your brain is already tuned to the financial channel.
4. Clearly identify the priority of your workload and save multitasking for non-urgent tasks. Devote intensive time to the urgent stuff. Decide in advance which hours will be for multitasking.
5. Returning your emails and answering phone calls can take your headspace away from critical work. Try allocating an hour every second day to putting your head down and focusing on one or two urgent or important tasks. Turn off the phone, close your email, shut the door and simply work.
6. Interruptions are a part of daily life, incorporate them into your multitasking time and you won't feel guilty about not emailing for one hour.



'If you can't ride two horses at once, you shouldn't be in the circus.'

Old American Proverb.

Customer loyalty ladder

To have a great business, you need to establish a customer loyalty ladder. The ultimate aim is to develop evangelists for your business.

Evangelists (the highest level of customer recognition), openly promote your business through comments to other people, comments on your website, facebook and blogs. To develop an evangelist for your business, you need to make communication very easy and encourage members to become advocates and then evangelists for your business.

Advocates, when asked, will recommend your business. Advocates are well recognised by your team as being people who are prepared to be pro-active to viewers and prospects, in their support of your business.

A **member** is a client who has dealt with your business several times but they're not advocates yet. So, offer them a 'loyalty card' or other inducements to make them feel they are important to your business.

Clients are people who have bought from your business more than once, so you need to continue to promote and market your business to them - show them you care!

Customers are people who have bought from your business once, but don't stop your marketing/promotional activities at this point. Now utilise systems, staff attitudes or your business knowledge to take customers to the next level.

Prospects are not yet customers but have shown some sort of interest in the products or services you offer. They might have responded to advertising or requested a quote. Every business has the great goal of attracting prospects and turning them into customers.

A **viewer** is someone in the market place who could buy from you but is currently not a prospect or a customer.

The team needs to understand that the first sale to a customer is the beginning of a relationship which ideally will culminate in a customer becoming an evangelist for your business.

So you have a website... but how effective is it?

The more you update your site the better your 'googlability', as static sites get lost in search engines. So quite apart from the fact that no one likes a stale site, completing regular audits and updates improves how easily your customers can find you.

Quick questions for a quick audit:

1. Is your homepage fresh and inviting? This is the first thing a prospect sees! Break up bulk text with headings and images; make sure important links are visible.
2. Consistency is vital - check your pages are consistent for styling and layout.
3. Scan every page for out of date content.
4. Do all of your links work? Links can break without rhyme or reason. How will clients or customers book/buy if the link to the online shop doesn't work?
5. Do you have an effective 'About Us' page? This could be the most important page on your site. Clients are more than likely to part with money if they trust you - let them

get to know your team. And keep this updated, especially where new staff are involved.

6. Do you have testimonials? Are they current?
7. Does your brand have enough presence on your site?
8. 'Proof' your site's spelling and grammar.
9. Are pages loading fast enough? Large image files are often the culprit, so downsize and reload them.
10. Stay in touch with your web provider - enhancements in technology are happening constantly. These could make your site easier to navigate and maintain.

While you're researching, check out your competitors...

- What are they doing better than you?
- What extra services are they offering?

Websites are not set and forget software. They should be treated as an integral part of your business' personality and your marketing and or sales team.

Netiquette tips for your business

Subject Line

Don't underestimate the importance of a clear and concise subject line. This may mean the difference between your email being treated as spam, deleted or designated low priority. Including a clear subject line can also help the recipient find your email in future.

Sign on/off

Remember that an email is effectively a letter. Make sure you include a polite greeting and a clear sign-off. It is also more professional to setup an email signature with your company details. Sending an email with no greeting or sign-off can seem brusque to the point of rudeness.

Stationery

Set up a signature in your corporate colours, or with a personal image rather than using the stationery built into your email programme. These formatted styles and backgrounds can wreak havoc when the recipient is trying to reply to you or forward your email. They are generally disliked and force the recipient to muck about with formatting settings for five minutes before sending their own email.

What's It Mean?

Due Diligence: during a typical investment negotiation process, the investor will conduct due diligence which will include reviewing the business plan, intellectual property strategy, market research document, debtors, inventory levels, management team, employees, etc.

The potential investor will normally conduct his/her due diligence investigation on the business model and assumptions (financial and otherwise) presented in the plans. If the investor is still interested in a possible acquisition or investment, the investor will then proceed with a review of the pricing proposal for the business.

Current Assets: those items owned by the business which could be turned into cash within the normal operating cycle of the business, usually 12 months. Examples of current assets are:

- Cash on Hand
- Sundry Debtors
- Inventory
- Deposits
- Cash Floats
- Stock



An Important Message

While every effort has been made to provide valuable, useful information in this publication, this firm and any related suppliers or associated companies accept no responsibility or any form of liability from reliance upon or use of its contents. Any suggestions should be considered carefully within your own particular circumstances, as they are intended as general information only.