

Monthly Update | January 2017

Welcome to our monthly business newsletter designed to help you concentrate on working more “ON” your business, rather than “IN” it. Please remember our skills and experience can provide you with help and support, give you a strong shoulder to lean on and someone on your side, to bounce ideas off.

Best wishes

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Scaling Up

Increasing the scale of a business is easier said than done. If your business objective is to scale up, you need to consider the people aspects, strategy and financials.

People make the business

People determine a company's success, and hiring the right people is critical. Hiring a team of great people will help to solve most of the problems the business encounters as it increases in scale. As such, you should invest time and money into the hiring process to find the best professionals to take the company to the next level. Screen candidates not only for their skills and knowledge, but also for their personality and how well they fit the mission, values and culture of the business.

Once you have hired the best team, you need to make sure that you keep them. You and your management team should communicate openly, recognise and reward their achievements, and give them the tools and training they need to succeed.

Follow a simple strategy

In the words of Albert Einstein, “Everything should be made as simple as possible - but not simpler.” Businesses need a strategy to succeed, but it shouldn't be complicated. The very best strategic plans are 1 page of A4.

The strategy should include the strengths, weaknesses, opportunities and threats of the business, the company's core values and mission. As the focus is to scale up and grow the business, the strategy should include high-level goals for each quarter, and year. Once you have finalised the strategy, ensure that you communicate it effectively so that everyone in the business understands what the objectives of the business are and what they need to do to achieve the overall goal of growing the business.

Manage risk (and cashflow)

Like anything in life, businesses encounter unexpected storms from time to time. As such, the management team should manage risk effectively in order to ensure that the company's growth strategy isn't derailed by unforeseen market forces.

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Cashflow is very important when trying to increase the scale of a business. As such, unnecessary outlay should be avoided. Instead, the business should focus on building up cash reserves which can be used from time to time to assist the business in achieving its growth strategy.

Solving Problems Not Just Symptoms

Regardless of the type of business that you manage, problem solving is undoubtedly part of your day job. However are you solving problems or just the symptoms of problems?

No matter how good a manager you are, nor how hard you work, you'll end up in trouble if you spend your time solving symptoms rather than actual problems. It is often not easy to determine when an issue is in fact a problem that needs to be solved and when it is a symptom of deeper trouble in the business.

What's the real problem?

A problem is a holistic failure of something you are trying to accomplish. Treating symptoms wastes time, money and resources. In the business world of problems and symptoms, often what you first think is a problem, is really only the symptom – it's not the real issue. If you focus on that symptom without uncovering the real problem you are wasting your time. You need to discover what's causing the issue.

To find this out you might need to discuss the issue with different people across your business. Keep in mind the focus of the conversation is to find the root cause of the issue, rather than find "someone to blame". The goal must be to strengthen the business by eliminating a problem or making a system or process better.

How long has the problem existed?

Problems usually occur in one of three ways; the same old problem, something brand new or the old problem but manifested in a different way. If the problem's been around for a long time, perhaps there's a deeper issue embedded within your business. If this is the case you need to deal with the underlying issue.

Does the problem serve a function?

Is the problem worth fixing or is it just a mild annoyance that doesn't really impact the way the business functions? If it is worth fixing then you should do that as soon as you can realistically do so.

Once you understand the real, underlying, root cause of the issue, you can begin to design a solution. That solution may require rethinking the processes and procedures in your business. It might even entail a reorganisation of aspects of the business. Whatever the solution you develop, you will need to think through the steps required to successfully implement and evaluate it in order to eliminate the problem.

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Hiring Multilingual Staff

Are businesses that employ multilingual staff getting ahead of their competitors?

Thanks to technology and globalisation in business, the world has become a much smaller place. Access to international markets is now easier than ever, thanks to ecommerce, the internet, etc.

Big multinational businesses recognise the importance of language skills. McKinsey counts more than 130 languages spoken across its staff, and offers a bursary scheme to those who wish to learn another language before joining the firm. Another example is Unilever, which estimates that up to 80 of their 100 most senior leaders speak at least two languages.

The obvious benefit of hiring multilingual staff is better communication with clients and contacts across the world. Although English has become the international business language, having employees who speak other languages can only be beneficial to an international business. Most people prefer speaking in their native language. If you are contacting other companies to work with, or customers in other jurisdictions, multilingual staff will be able to communicate in their native language, which makes the process easier and makes your company come across as more professional and gives the impression that you are more of a “global business”.

A report from the European Commission a few years ago stated that “a significant amount of business” was sacrificed because of poor language skills across Europe. The report identified that as much as 11 per cent of small and medium-sized businesses had lost a contract as a result of their poor language skills.

So, if your company is targeting international business, you should try to recruit employees who are multilingual. They will be able to help your company to understand how complicated communication between two cultures can be, including knowing which areas require sensitivity and which areas call for being more direct. They will also be able to help your business to adapt its business development efforts, website, marketing materials, etc. to the target market. These team members can also assist the company as multilingual proof readers, in order to ensure quality and consistency of external communications in your target markets.

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