

Issue Seventy Three

LAUNCHPAD

Take a breath

One of the pitfalls many business owners face is getting caught up in doing everything **IN** the business and not spending any time **ON** it. It falls further and further down the list, so tasks pile up which could - if tackled - help the business grow. This, in turn, creates a great deal of stress.

As a business owner, you may believe that by doing everything yourself you'll get things done the way you like, but in truth, you can be flat out working and not doing much else in the way of growing or developing.

- Learn to delegate tasks and trust employees with responsibility. This allows you the extra time needed to run your business rather than running around like a headless chicken
- Plan and prioritise your workload. You'll quickly see what's most important and whether any of these tasks can be divvied out or set aside to another day when you have more time up your sleeve. By writing things down and making lists, you'll be more organised, focused and aware of what state each section of your business is in
- Look after your best asset: you. It's hard to try and be everything to everybody, so step back and take a breather to ensure you can return to your duties at maximum capacity. Look at ways to de-stress on a regular basis, whether it's setting aside time to exercise, go for a surf or get away for a weekend with friends and family

As the face of your own business, you need to be seen as the driver. Take the wheel and steer your team by learning simple ways to work on your business rather than in it. You might be pleasantly surprised by the results.



Have you thought about a mentor?

It can be a lonely place, being in business, and it's good to be able to talk to someone you can trust. A catch up every month or so with someone who combines business expertise and insight into your own situation can be a great way to make sure you keep working on your business.

That appointment in your calendar means you start to think about the bigger picture leading up to the date. It means there's at least one spot in your month where you truly take an eagle eye to how you're doing. And it means you have something to take away to think about, work on and aim for. You're not flying blind and you're not flying alone.

Shine a light

If you have started to think about whether mentoring could benefit your business, but it all seems a bit nebulous, take 15 minutes to reflect. See our list on page 2 to help you get started.

Don't take a lot of time over it. Ask yourself: what could you shine a light on? Just note down three or four things that you think could change for the better. And then call us. If we don't have the answers, we can look at where to start and put you in touch.



Peninsula Business Services Ltd

Chartered Accountants
Business Advisers



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Simple tools for home based businesses

If you're running a business from home, it's probably a juggling act. Administration, accounts and marketing are up to you, as well as ensuring the business is still providing the right level of service or product. Thankfully, there are some basic and inexpensive tools that you can use to make your job just that much easier.

Hardware

You've probably already got a laptop or PC organised. Make sure, whatever devices you have are in sync so they all talk to each other. If you're on the road, you can put information into one device, such as your phone, and have it appear on your computer or tablet. It's handy for calendar events, notes and reminders. Local communications stores or specialists are happy to help you set this up.

Software

The software you use can potentially enhance your productivity. Or it can be just one more monthly cost without delivering the efficiencies you hoped for.

Consider what tasks you're actually using your software for. Are you trying to make do with free or low cost versions that let you down because you have to spend time in fiddly reworks or workarounds? Are you forking out more money to fix problems? There might be savings in paying to upgrade.

Are there alternatives to an upfront software purchase such as a monthly lease with the ability to cancel at any time? Is secure cloud storage available or should you consider off-site backup?

Do you have accounting software? Is it doing what you need it to do or making you pull your hair out when you try to use it? If you don't have accounting software, is your finger on the pulse of your cashflow? Or are you just hoping it all balances up at the end of the month with incomings and outgoings? Is your invoicing taking up way too much time?

We can help you evaluate whether you are getting the most out of your accounting software, how it could benefit your business and what kind would suit your needs best for the time and money you have available.

'Try to work out of your home for as long as you can, even if you have a few employees, to keep overhead low.'

Lori Greiner

Social Media

Arguably one of the most effective forms of marketing ever invented. Once you've identified your potential customers, social media provide a fantastic platform to communicate. If you haven't already, look around and decide which social media could be used to promote your business.

Set the scene

Not only are the tools important, but also the ways in which you use them. Have you organised ergonomically correct seating? Are you warm and comfortable where you work? By removing distractions, working from home can become more productive.

Shine a light: get started on what you think could change for the better

<input type="checkbox"/>	Your sales and revenues are good but your margin's too thin
<input type="checkbox"/>	Cashflow is a bit of a rollercoaster
<input type="checkbox"/>	The product is top quality but customers don't seem to understand it
<input type="checkbox"/>	Do you want to attract more customers or a different type of customer?
<input type="checkbox"/>	You're really busy, the numbers are good, but you just don't seem to be moving ahead
<input type="checkbox"/>	You have a great team but you seem to lose a lot of time in reworks or going over the process
<input type="checkbox"/>	Your kids are growing up; are they getting to know the business?
<input type="checkbox"/>	A couple of people on the floor have leadership potential but you're not sure how to bring it out
<input type="checkbox"/>	Last but not least, how does your life look? Do you have a balance or are you never home? Are you always on call to troubleshoot or does your team keep calm and carry on?



Playing a great endgame

So, you've thought about your business and your next stage. You're ready for the next big adventure and you're prepared to cut the cord with your current business. There are no natural successors interested in taking on the business. You've worked through the options and the best one is to sell. Now, how do you maximise your return?

To realise the best possible return your business, you need it to be in the best possible shape for market. Like a house, ideally it needs to be solid from the foundations up, look good and smell of freshly made coffee and new-baked bread... metaphorically speaking. In a competitive market, you can be sure that any prospective buyer will look into all aspects of the business. Be prepared. And the best way to have a business that looks good is to have a business that is good.

Research

Look into the market so you understand what would attract a prospective buyer. Think about the kinds of questions they will ask to satisfy themselves that there is a winning opportunity for them in acquiring your business.

Review

Have a plan and work through so that every facet of your business is attractive to a buyer. What is the face of the business you want to market? Ask the basic questions first: will a buyer be most attracted to a venture that, while it has a lot of promise, isn't delivering on that promise yet? Or a venture already yielding solid returns while promising more room for growth in revenues and profit? Or one that, while it is delivering good margins now, is flexible and lean enough to change direction with a new owner? Or will your primary selling point be that your business is mature, delivering good yields consistently, with established markets and suppliers and an experienced team?

Remedy

Next, work on the underpinnings of the business to make sure they can stand scrutiny. For any issues that might put off a prospective buyer, set targets and put together an action plan to remedy any problem areas.

When you have worked through all aspects, you have what you need to put together the information or sales memorandum for your business. This is essentially a marketing document for your business. However, while 'marketing' may mean smoke and mirrors to some, the information memorandum should be grounded in hard facts, clear and to the point. Your main purpose here is to present to a buyer how easy it would be to run, grow, or improve the business.



Your action plan for market readiness

Take an honest look at your business. Give yourself a reasonable timeframe to bring your business into full market readiness. Strategise and set targets to improve performance and minimise risk.

Financial: go beyond asking do the numbers add up. Where do revenues, costs and profit need to be to present the best buyer opportunity?

Strategic: a compelling business model, sound management systems, streamlined processes - these are what a potential buyer is looking for.

Human: be upfront with your team and work through potential HR issues well before taking the business to market.

Assets: make sure all equipment is well-maintained, the premises are clean and well-organised and that any other assets are in good order. A potential buyer will be turned off by the prospect of any urgent major upgrade during the honeymoon period as new owner.

Risk: assess the risks to your business and put in plans to minimise or manage them. For instance, does the business depend on a single key client or one vital supply chain? Can you attract other clients or line up alternative suppliers? Or can you secure that key client or supplier with suitable contracts? Make sure your systems are fully compliant with all relevant legislative requirements - such as health and safety - and all staff are fully trained on all systems.

Legal: settle any court cases or disputes looming over the business before you go to market. Look at the ownership of all the business' assets - do you or the business have complete (and documented) ownership over them all? Does the business have any intellectual property assets which give the business competitive edge? If so make sure they're trademarked and patented.

2B or not 2B?

Is your business B2C or B2B? No, the aliens haven't landed (yet). If you haven't come across these terms before, they're a short form way of characterising a business and its customers. A B2C business caters primarily to consumers while a B2B business caters to other businesses. It turns out the two types of customers behave in different ways. This table sets out key differences.

	B2C	B2B
Customers	consumers	other businesses
Examples	retail, entertainment, food and beverage	office supply companies, manufacturers of components for other manufacturers (e.g. computer or automobile producers) professional services for businesses (e.g. web design, legal and financial services)
Buying decisions	made quickly and often likely to be influenced by emotion	need more time as approval from up the line is required. Not influenced by emotion
Marketing	tv and radio, consumer magazines	trade and technical shows, industry publications and sites
Message	stress low price and the feel-good factor associated with buying the product, FoMO (see below)	focus on value and service and might also feature the trust built up over a longer period

Of course there are grey areas - consumers as well as businesses use office supply companies. A cleaning business can service offices as well as cleaning private homes.

How is this helpful? Customers of B2C and B2B businesses make their purchasing decisions differently and are influenced by different factors. That should influence marketing positioning and message. B2C businesses gear towards a shorter buying cycle, though they court repeat business. A B2B business will focus on building trust built over time as a B2B relationship will often be a longer term affair (so to speak) than a B2C relationship. Where does your business fit?



FYI...

FoMO: fear of missing out. Often triggered by social media. The feeling that, whatever you happen to be doing, there's something going on somewhere else that you're missing out on. FoMO leads people to want to be connected at all times, in case they let an opportunity slip. How does it relate to business? It pops up in marketing campaigns. Let customers and prospects know that they're in danger of missing out on something if they ignore this great opportunity you're offering (a service, product, discount, promotion, whatever).

And for yourself? Take a deep breath and think. Are you really missing out, if you're not connected every minute of the day? Or do you need to fence off some time just for your business and/or just for you and your family? Which leads us to ...

JoMO: the joy of missing out. Start by saying no to incoming invitations or even - shock! horror! - turning your phone off or to silent. In the office, give yourself a couple of precious hours to work things through, devote some true thinking time to your business. At home, trackies and the couch can be your friend. Or else, take to the hills, get some air and really breathe.

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.

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