



## **Finding Your Business Edge No. 4**

Week beginning 20<sup>th</sup> February

### **ABOUT US**

Finding Your Business Edge is a new programme brought to you by Penwith Radio and presented by Dr Alan Jones, who amongst his other credits has presented business training and coaching for small businesses, entrepreneurs and companies like Kelsall & Steele; GE Money and Xerox.

Each programme will bring a round up of the business news; interviews with local business owners and a range of ideas to help you find your business edge.

### **News**

#### **Project Merlin Target Missed**

The five banks which signed up to the Project Merlin initiative twelve months ago missed their target by £1.1bn.

Figures released on Friday show that HSBC, Barclays, Lloyds and RBS lent £74.9bn to small businesses in 2011 against the Government-set target of £76bn.

It appears that net lending from these banks shrank in every quarter last year.

This lending target for small businesses is interesting when set against the notion that overall, the banks exceeded their gross lending target of £190bn by £24.9bn.

#### **Credit Downgrade leads to Higher Mortgages?**

We are hearing that there is a threat to the downgrade of the UK's AAA credit rating and this could spark a rise in home loan costs.

Ray Boulger, technical director of one of the UK's largest mortgage brokers talking to reporters in the *The Independent* (19<sup>th</sup> February 2012) suggested that any credit downgrade could push up the rate the Government has to pay to borrow and, if this happens, could have a direct effect on banks' borrowing costs and hence mortgage rates.

According to the analysts there is a 30% chance of a credit rating downgrade within the next 18 months.

#### **HSBC blocks Osborne**

It was reported in the *Telegraph* (19<sup>th</sup> February 2012) that HSBC is considering blocking George Osborne's plan to inject £20bn into the UK economy.

*The British bank is understood to feel that the Chancellor's loan guarantee scheme – which will see the Government loan money to UK banks to lend on*

*to small and medium-sized companies – is not workable as it would prove to be too expensive under the structure being discussed.*

### **Social Media and Your Employees**

There have been one or two well reported cases of employees losing their job because of a 'status update' on a social media site.

We have also noted previously (Finding Your Business Edge no 1) that 57% of employers would check out the social media 'foot-print' of potential employees.

Having recently been involved in the creation of a Social Media Policy for small businesses it has become clear that how managers seek to control the use of social media and use it to judge job candidates is one of the most complex issues on the table at the moment.

The Telegraph (19<sup>th</sup> February 2012) reports on another case which may cause some managers to stop and think...

*Last month, John Flexman, a former human resources executive, began a tribunal against his former employer, BG Group (a major gas exploration firm based in Reading, Berks), accusing the firm of forcing him out after he put his CV online through LinkedIn.*

*He is thought to be the first person in the country to bring a case for constructive dismissal after a dispute with bosses over his profile on the professional networking site. Mr Flexman is claiming hundreds of thousands of pounds from BG Group, where he earned a £68,000 salary from his job in charge of graduate recruitment.*

In the same article one legal advisor is quoted as saying...

*"By posting something even vaguely negative about your work on these social media sites, it's breaking the relationship of trust and confidence between the employer and employee and the company reserves the right to sack the employee."*

It is clear that employment law is yet to catch-up with the various issues connected with social media but the advice from all quarters is to ensure you have a policy in place and have communicated its contents clearly to employees.

### **The Olympic Ripple Effect**

According to retail analysts towns and cities across the UK that are set to make the most of the three-week Olympic period by becoming actively involved in promotions, parties and game-screening will reap the financial rewards.

It has been noted that some towns recorded a 36% increase in footfall during the Royal Wedding when they threw a traditional British street party.

Visa, the credit card company, estimate that consumer spending will be around £750 million pounds during the Olympic Games, £185 million of which is expected to go to high street retailers.

**Business Interview:** Sally Parkin : The Original Surfboard Company

### **Business Thought:**

Are You Managing Your Business Contacts Effectively?

Imagine how much simpler your life would be if you had all your business contacts together in one place. One click of your mouse would reveal how effective your latest marketing campaign has been. Know at a glance which of your products/services is the most profitable.

A custom-designed database will put this information right at your fingertips. Today, I'd like to share with you my tips for ensuring that your database gives you the business information you need, when you need it!

What is a database?

A database is a collection of information relating to a particular topic kept together in one place, for you to access whenever you need. You can use a database to simplify your:

**MARKETING CAMPAIGN**--set up a database to plan your marketing campaign; track results of your marketing campaign; or analyse trends in your marketing campaign.

**CLIENT & CONTACT MANAGEMENT**--set up a database to keep track of your clients and contacts; analyse your business--which products/services are the most profitable; or see which clients are buying which product/service.

**FINANCIAL MANAGEMENT**--set up a database to keep track of your spending; manage your invoices to clients; or monitor overdue invoices.

**MEMBERSHIP ORGANISATIONS**--set up a database to keep track of members; send out membership renewal letters; or monitor subscriptions.

Your list for database uses will likely be much longer--just brainstorm a list of all the places where consolidated information would make your life easier!

The secret's in the planning

You want to get the most out of your database, right? Then make sure to plan it right from the start.

Before you go running off to set up your database you need to ask yourself these important questions:

What do you want to use your database for?

What data do you want to keep track of?

Who will be collecting the data?

How much data is there to collect--50 records or 500 records?

Who will be doing the updates?

What reports do you want your database to generate?

You may find it easiest to map this out on a piece of paper first.

Work out how your database is going to fit together.

How will each category relate to the others?

Get the maximum use out of your database:

By now, you've invested a lot of time in your database plans, design, and set up.

Don't miss this important step: getting the most out of your creation.

First, you'll want to make the database as easy to use as possible.

Create one-click touches to produce the information you need. Set up shortcuts so you can create the most important reports quickly. And make sure you really consider the easiest way to enter new data.

By applying this advice in your own database, yours will be easy to use AND have the maximum use value to you!

Now all of this assumes that you are going to take the least expensive route of creating your own database using software that is in your possession. However, if you are like me, you might not have the expertise to set up a relational database so what are the commercial options?

## **Customer Relationship Management**

There are many CRM Systems available, and some of the on-line systems are free for small users.

In the past I have used GIST ([www.gist.com](http://www.gist.com)) which adds contacts from your email lists and social media contacts.

The basic service is free.

Another system that I have used is that offered by Really Simple Systems the sponsored links of which are to be found on the blog post for this episode.

Since your contact list, your customers and your social media networks reflect your 'relationships' as an individual and a business it is crucial to be able to manage these lists effectively and efficiently.

## **Business Provocation**

### **Sales Optimisation**

SO what is SALES OPTIMISATION?

Quite simply it is the collection of skills, attitudes and approaches that will optimise the sales process.

The **10 KEY ACTIVITIES** an effective salesperson will engage in are..

- LISTENING
- RAPPORT BUILDING
- RELATIONSHIP DEVELOPMENT
- PRESENTING
- QUESTIONING
- PROBLEM SOLVING
- NEGOTIATING
- ANALYSING
- COLLABORATING
- NETWORKING

## **Music from Music Alley**

Beware the Dangers of a Ghost Scorpion – Texas Blood

Be-Sea Surfers – Vibrations

Be-Sea Surfers – On Freeway

Allisons Invention - Clean



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A Quick Plug: Finding Your Business Edge the Book is available from this link:

<http://ow.ly/8KbmU>

### **Finding Your Business Edge**

This little book is based upon some of the coaching work undertaken with companies like Xerox; organisations like the School for Social Entrepreneurs, SME's, Local Authorities and sales teams across the UK. The aim of the book is to encourage businesses of all types and sizes to consider their sales processes, their value proposition and their solutions so as to be more effective in today's market place. Whilst it may seem that the bulk of the work in the book is focused on Business 2 Business solutions there is much that is directly relevant to the retail and Business 2 Consumer market