

+44 (0)845 838 2031



4 business basics

an article
from T10



The basics of business

The more I work with companies of all sizes the more convinced I am that the credit crunch and its consequences over the last few years has been a good thing for business. It has forced organisations out of complacency and highlighted the need to get back to the basics of business – for everybody, no matter your size or sector.

So what are these basics of business? I believe there are four:

1. Prospect for customers
2. Be exceptional at what you do
3. Create a great place to work
4. Bottom line

That's it! But here's a bit more on the subject anyway.

1. Prospect for Customers

This is the one that seems to be forgotten most quickly in the good times.

That's when I find that organisations, and indeed Sales Managers and entire sales forces often, forget that no-one has a divine right to customers and if you want to have any control at all over your business it is your responsibility to constantly, proactively seek leads which you can turn into orders.

Every business has an average conversion rate of leads into orders and it must therefore be a fact that the more leads you generate the more orders you will have. Equally, over time the reverse must apply. I can name any number of organisations which have forgotten this and suffered badly as a result with the most consistent offenders being the professions – lawyers, accountants and even architects – some of whom who seem to think that potential customers will always find them and that somehow it is a little beneath them to actually go out a try and convince people to buy their services.

There is a simple process that every business needs to address:

- decide which markets you wish to serve
- define who your potential customers are and then
- generate leads from those customers using as many compelling mechanisms as possible.

There is then, of course, a whole process involved in addressing those leads and successfully turning them into orders but initial, vital focus has to be the generation of leads and this is where all of us need to spend time addressing, revising and constantly updating.

2. Be exceptional at what you do

It has been said that good is the enemy of great. No one can be just good or average these days. Frankly if you are average in terms of your product or your service – or indeed the way you treat your customers – then you now run the risk of simply disappearing. You do, of course, need to focus on your products or services being exceptional but increasingly I find the differentiator is more about the consistently great service you give to your customers and the way you treat them from A to Z.

3. Create a great place to work

I still come across companies whose culture seems to be one of assuming that they are doing people a favour by employing them!

Employees have a choice – and increasingly, most particularly the latest generation, they are exercising that choice based upon all kinds of considerations. It is not simply based the their prospects for advancement and remuneration on offer as maybe once was the case. Those considerations include evaluating how the organisation is viewed locally and nationally, it's ethics, how it treats all stakeholders, the values that define it and whether it's leaders are people they admire.



Business leaders and their HR departments have a big role to play here and it is one that is not always given the priority I believe it should.

I feel for HR departments around the world. Over recent years they have seen the introduction of more and more employment legislation, more and more health and safety legislation and more and more focus on defining and implementing corporate social responsibility policies – and all these have been dropped in the lap of HR. These are generally all 'left brain', procedural and compliance activities and as a result many HR departments have become focused much more on these areas rather than their absolutely vitally important role – their 'right brain' role – that is focused on the people.

In most organisations there are only two people can go anywhere and talk to anyone. They are the Chief Executive and the Head of HR and both of them should be using that privilege to help ensure that it truly is a great place to work.

HR's job is to enable the business to be successful through its people – all its people – from the top to the bottom.

Transparency is becoming more important to employees and with leadership styles worldwide tending to move from autocratic through democratic to meritocratic such transparency is a vital ingredient in ensuring a thriving and successful organisation that truly is a great place to work.

4. Bottom Line

Many would argue that this should be number one in the list. Whether you are a publicly traded company, a family business, a not-for-profit organisation or a charity the only way by which and you can grow and prosper and achieve your fundamental purpose is by generating profit and reinvesting into the future growth of the organisation.

Many organisations seem to forget this basic need and in difficult times it is the ones that 'get it' which are thriving.

There are of course many elements to making money but important amongst those is:

- charging the right prices
- selling to people who have money
- and with people being the largest single cost for most, maximising "productivity" .

This means ensuring that each and everyone in the company is enabled to maximise the time they spend utilising the expertise for which they were employed – rather than all the other activities we may seek to get them involved in.

You may have seen some research which gives the breakdown of time spent by a typical field sales engineer in Europe. This shows that, on average, only one third of their available time is spent actually selling. Over half their time is spent in travelling and administration – appalling.

So those are four basics of business but let me just mention two others

Leadership

When times are hard it is very easy for CEOs and other leaders to get immersed solely into the detail and the day-to-day activities. You must not do that – you need to regularly get up in your helicopter and look over the horizon to refine your strategy if you are to be successful.

Something else I see is that leaders are not smiling very much these days. You may say that that is not surprising – they may not have much to smile about but I would refer you to the recent research that asked the question:

"Why do you follow someone?"

and the overwhelming result which was:

"Because of a feeling of fun and energy and excitement"



As a leader is your responsibility to ensure in each and every one that your employee's feels that from you – no matter what you are feeling inside!

Dynamism

I imagine that every generation has said that things are moving so much faster now than how it used to be. It is, nevertheless, undoubtedly true in business today that change is accelerating exponentially and technology is moving incredibly fast. This is true – whether it's in relation to your products or services or the way you go about doing your business. Every day there is new technology becoming available – maybe from the internet – which you should be exploring and maybe utilising. If you are the size of company that has its own IT department you need to redefine their role to ensure that they are keeping you are aware of the cutting edge of technology in IT and related areas. Few do in my experience.

Your technical people and your sales people, in particular, need to be doing the same – and don't forget the accountants!

Technology and business is moving so quickly that you must have an inherent culture of dynamism that keep you ahead of the curve. You should always be considering every aspect of what you do and whether you should change it to do it better.

You should be doing absolutely nothing in your organisation simply because that's the what you've always done.

I find these times exciting – they are giving massive opportunities to both individuals and organisations to truly use their skills and expertise to become even more successful.

I recently read the story of Jean-Claude Biver and how he built the Hublot watch brand from virtually nothing in six years. This is what he did:

- Bought 20% of an obscure, loss making, watch brand
- Penned a slogan: "The Art of Fusion" and positioned his watches at the top end of the market (£5,000 to £1million each)
- Launched an outrageously looking giant watch utilising cutting edge technology
- Created desire by courting retailers from the Far East and North and South America (rather than the traditional heartlands like Germany) and then habitually give them 70% of what they asked for

He was counter-intuitive and created lots of "why didn't we think of that" moments amongst the competition.

He worked out that his target market was not a horizontal group (the wealthy) but a vertical group who aspire to own his company's products.

Summary

Be a control freak about your marketing and prospecting.

Focus on what your company does - if it sells widgets - go and sell some widgets then, that's what you do, simple!

Make it effortless for your customers to engage with you and buy from you.

Focus on the basics of business - well, what are you waiting for? go on then....

+44 (0)845 838 2031



4 business basics by **T10**
© 2014. All Rights Reserved.

London: Suite 34, 67-68 Hatton Garden, London EC1N 8JY

Midlands: 21 Smisby Road, Ashby de la Zouch, Leicestershire LE65 2JN

South: 83 North Lane, East Preston, West Sussex, BN16 1HD

T: 0845 838 2031

E: mail@t10partnership.com