

"Ask the experts"

Need a question answered by a professional? All you've got to do is Ask!



Oliver Chivers
T-Mobile



Laura Ashley-Timms
Business Coaching



Alan Gleeson
Palo Alto Software



Steven Hickey
ekmPowershop

Our SYB experts are on hand to discuss your business questions. This month Oliver Chivers from T-Mobile discusses going into business with friends or family. Whilst Laura Ashley-Timms from Business Coaching explains how to increase profitability and where to go to receive impartial advice. Remember if you have any burning questions drop us a line!

Laura Ashley-Timms of BusinessCoaching.co.uk writes:

Q: My wife and I have lived in a small town for a long time now and we have many great business contacts on our doorstep. For this reason, and to help us take a more flexible approach to our working hours and family commitments, we're thinking of going into business together. What would your advice be?

Oliver Chivers, T-Mobile writes:

A: As working practices evolve, the age old mantra of not mixing business with pleasure is losing momentum. In fact, T-Mobile recently polled 1000 entrepreneurs on the topic and found that almost 40% of business owners no longer see an issue with going into business with friends or family. In my experience of dealing with small businesses, I've found that the local family run enterprise can flourish.

One of our customers, The Posh Tent Company, which caters for small and medium corporate and private events, and is run by husband and wife team Martyn and Andrea Rose, is testament to this. Working in a small area, and capitalising on word of mouth, the company has promoted its family ethos and generated a consistent turnover in excess of £250,000. There are of course challenges that face small start ups such as this – namely juggling limited resources and the need for rigid cost control. However, suppliers are increasingly tailoring offerings towards their needs.

Q: I run a small business, and while things are going well at the moment, I don't know what I should be doing to increase our profitability - where can I get some impartial advice?

A: There are really two questions here – firstly, what should you be doing to increase profitability? And secondly, where can you get impartial advice.

It's good that you are focusing on profitability, as too many business owners get caught up in turnover, often forgetting that a £400k turnover business delivering £150k profit is more successful than a £2m turnover company turning £50k profit! There are many answers to this question, so I have put together below 4 initial ideas to focus on.

My first question to you is "do you know which of your products and services deliver the greatest margins?" One client saved £10,000 in one day by pulling a marketing campaign to promote a service that delivered hardly any profitability! Once you have clarity on your margins you need to spend time and energy promoting your highest margin services and products. If you would like help with this there is a coached exercise to work out your Customer and Product Profitability on the Business Success Strategies 'Quick to Cash' audio programme.

The second question is, "How can I increase my margins?" Think about the extra value you can add to your customers and clients that will allow you to offer higher margin services. How can you bundle products or services together to increase your average transaction as well as adding value?

The third area to review is your pricing structure. It is a myth that customers want to buy the cheapest products. Typically the opposite is true, only about 10% of customers are price sensitive. Another 10% always want to buy the most expensive

Do you have a question for our experts?

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REGARDLESS OF YOUR APPETITE FOR TECHNOLOGY, YOU'LL FIND THAT IT IS PLAYING AN INCREASINGLY IMPORTANT ROLE IN THE BUSINESSES

products, as they perceive them to be the best. In spite of the current economic climate have you ever tested your price elasticity? We have many clients who increased their prices and subsequently significantly increased their sales and margins.

Finally, focus on your current products and existing customers. Do all your customers buy all your products? Don't make assumptions; invest your time to make sure that customers are familiar with all your services. This is the fastest way of growing your business fast, with minimal cost.

Your second question is about impartial advice. The truth is that most people who offer advice have their own agenda. Friends and family can be helpful if they have good business experience, but many can't help putting their personal agenda ahead of your success. If you are too successful you may leave them behind. If your career takes you away from home perhaps they won't get to see you any more? So treat any advice from loved ones with caution.

Without sounding biased, for guaranteed impartiality, by far the best option is to find a way to work with a Business Coach as they will only have your agenda on the table. Your success is their success. The difficulty with this is that these days any Tom, Dick or Harry can call themselves a coach. The other hurdle to overcome is the initial investment of working with a good coach when you are in the early stages of your business.

Also look at alternative support options; perhaps impartial business advice is something you could listen to in the car? If this appeals then take a look at the 'Business Success Strategies' programme (BusinessCoaching.co.uk/Advice), which offers access to some of the UK's top coaches at a tiny fraction of the cost of 1-to-1 meetings.

Most good business coaching firms do not charge for the initial consultations so do pick up the phone and speak with them. We also have two free guides you can download to learn more about Business Coaching and the Questions to ask a potential coach, go to www.BusinessCoaching/Advice to download these today.

Q: I run a small business from home and I need to invest in better software for my PC, but I'm a complete technophobe! Where do I start? I need software that is easy to use.

Alan Gleeson, MD Palo Alto Software writes:

A: The good news is that in recent years there has been a real focus by developers, on the 'user experience' with software which

has resulted in much better designed software. Hence regardless of your comfort level with technology the latest versions of most products should be a lot easier to use than was the case previously. A second trend of late has been the growth of 'cloud computing' which essentially means you access the application via your Internet connection rather than via installing an application from a DVD. Benefits from this shift are numerous; not least cost savings, but also the fact that it is easier for software publishers to keep the versions up-to-date, and it provides you with access to your data from any device and from any location. Together these trends result in software that is increasingly accessible to all.

In terms of specific applications that will help your business grow, there are a few that spring to mind. Business Plan Pro from Palo Alto Software (www.paloalto.co.uk) is the marketing leading business planning product and will help you set goals and objectives as well as to draw up a sales forecast so you can track and manage business performance. It will also enable you to produce a marketing plan so you can focus on the key activities which will help you achieve your overall goals.

The suite of free applications that Google offer can also help you grow your business. For example, Google Analytics is a free application you can run on your website which can help you understand who is visiting your website and what they are doing when they get there. This information can help you understand a lot about your customer base so you are able to tailor web content and offerings to meet their requirements.

Similarly the growth in numerous social media applications ranging from Twitter to Facebook should all be viewed as means by which you can grow your business by ensuring marketing efforts are focused accordingly and that customers are acquired in a cost effective manner.

You should also consider utilising email newsletter software e.g. Mailchimp so you can keep in contact with your customers. Finally, you should also consider running an accountancy software application from the likes of Xero, Kashflow or Clearbooks, as these will help you keep on top of your cash flow as you grow.

Regardless of your appetite for technology, you'll find that it is playing an increasingly important role in the businesses we run as a cost effective means to run businesses more efficiently and to gain access to customers without significant cost. It is far better to embrace it than to discount on the grounds of complexity.

What do I need to do to deliver an effective online shop for my business?

Steven Hickey, ekmPowershop writes:

When charged with the task of delivering an effective online shop for your business, finding a solid shopping cart solution is an absolute must. If you are serious about entering the world of online retail, the platform you choose has a big impact on both the cost and performance of your project.

There are a few key considerations when deciding which platform to build your online shop with: check whether you receive free technical support from your provider for instance; take the time to establish whether the package is fully hosted; and identify if any technical knowledge or in house resources are required. Ease of use is vital if you are to get the most out of your online shop. Choose a decent design for your online shop. Most ecommerce packages will offer templates; allowing you to customise your shopping cart with your own branding, logo and colour scheme. Visitors need to feel positive about your website's design before they decide to buy from you, so make sure your online shop looks professional before you go live.

Your shopping cart solution will also need to offer well known payment systems in order to process credit and debit card transactions. Set up an account with a well-known system like PayPal, Google Checkout or SagePay, and make sure your shopping cart is fully compatible with your payment system of choice. Marketing and Promotion is another big part of the mix, as you seek to attract as much attention to your online shop as possible, driving those vital sales. Make sure your shopping cart provides a search engine submission, as this ensures that your online shop will feature on all the major search engines. Any good ecommerce package will include this for free, as well as a submission to shopping directories such as Google Shopping. A good, build-it-yourself package like ekmPowershop.com covers all of the above and more, costing just £19.99 per month. ekmPowershop.com currently powers 1 in every 5 online shops in the UK including the likes of PGA Golf, O2, Michelin Tyres and thousands of SMEs.

Finally, the most important thing is to make sure you give it a go! Thousands of businesses across the UK are currently running their own online shops for less than £20 per month with ekmPowershop.com. Some of our clients generate monthly turnovers in excess of £250k through their online shops alone, and there is no reason why you cannot do the same if you choose the right platform from the offset.