

A close-up photograph of a green-painted wooden door. A heavy, rusty metal chain is wrapped around the door and secured with a large, rectangular brass padlock. The door shows signs of wear, with some paint chipping and small holes. A keyhole is visible in the lower right corner of the door.

After Lockdown, Breaking Free

A Guide for Business Owners

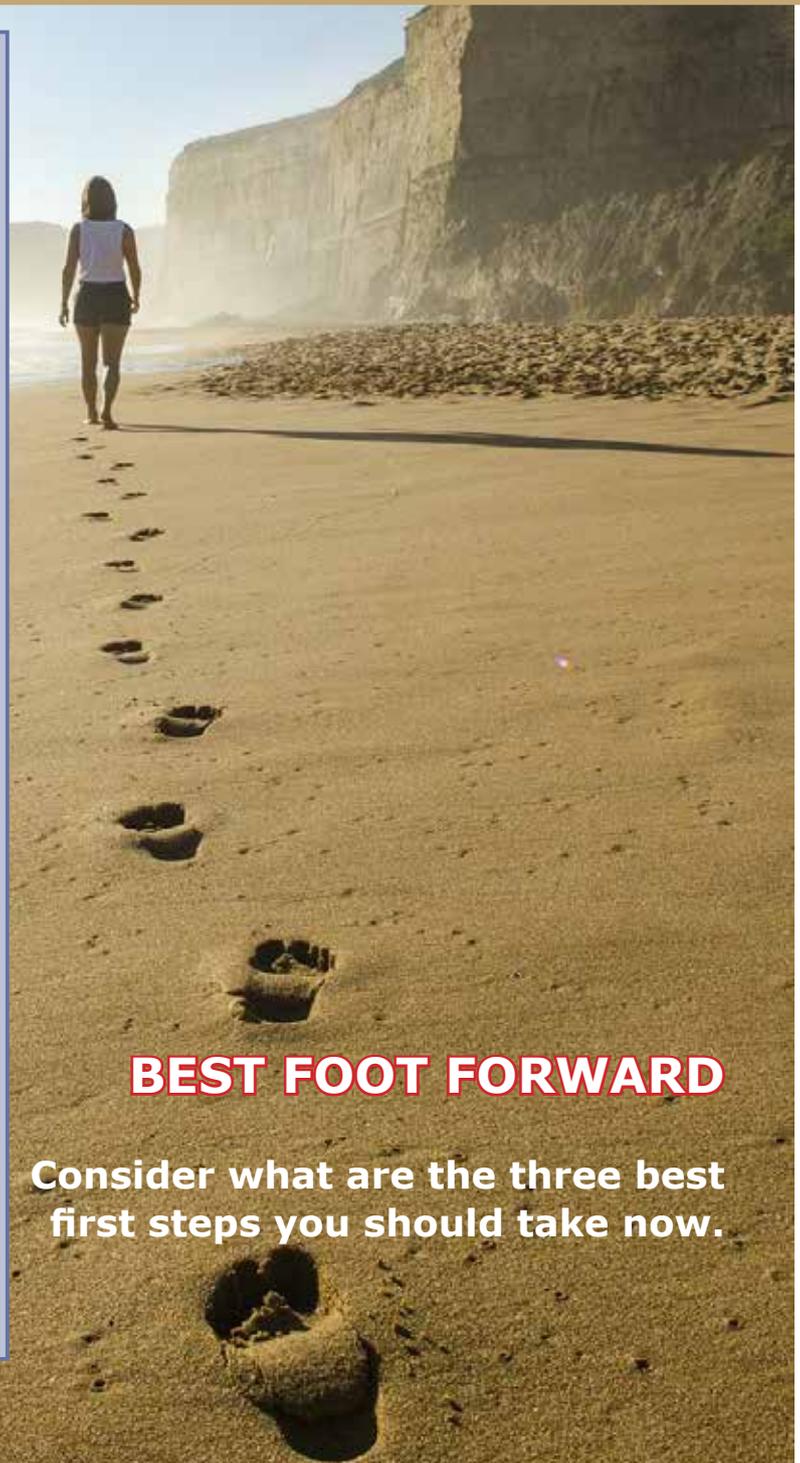
By Liza Jones

AFTER LOCKDOWN, BREAKING FREE

In the last 12 months large numbers of companies have been in and out of lockdown more than once. Some sectors, such as hospitality and non essential retail, have been severely affected. Although we now have vaccines, it is going to take many months to get these into the arms of everyone, and it is still not clear when we might be back to something that might be called the 'new normal'. We are on a rollercoaster.

While many, but not all firms, may have been cushioned from the peaks of COVID-19 by Government finance, others have suffered extensively. Things have changed for virtually everyone.

As we seek to keep our businesses running, and tentatively venture out into the 'big wide world' when able, there may be those who are rather too rash, while others are over-cautious. How have your goals altered and are they still realistic and relevant? You need to get the balance right, moving forward at the appropriate pace for your industrial sector.



BEST FOOT FORWARD

Consider what are the three best first steps you should take now.

STEP 1

Before you make any decisions, ask questions and listen.

Ask your customers, suppliers, staff, and if you are in touch with them, your competitors, what is happening and what are they doing, what do they think of the current circumstances and do they have any suggestions for going ahead. And listen to what they say. They may just have some great ideas.

The marketplace has changed and you will need to adjust to match what your customers are looking for now, which may be quite different from pre-lockdown. Staff expectations are likely to be different and supplier chains may well have altered. Some sources you used before may no longer be there, while new entrants may offer you great initial deals to secure your custom. The more knowledge you glean here, the better your decisions will be.

STEP 2

Next, determine what actions you must take to keep your business running from a safety perspective for staff, customers and suppliers. The ubiquitous risk assessments will help you clarify what you need to do. What new regulations, circumstances and laws will affect you?

What extra equipment do you need to install such as plastic screens, and notices about social distancing? If people (staff, visitors, etc) are expected to wear masks, will you be providing them? You will at least need to put hand sanitiser, paper towels and waste bins at entrances and other key locations such as toilets. Will you have to limit the number on your premises at any one time, put in place a one way system, and keep people a reasonable distance apart?

Bear in mind that regulations and laws are highly likely to be amended in the coming months, and you may have very little notice of such changes. Will you benefit from input from a specialist in these regulatory fields who can advise and quickly show you the ropes?



STEP 3

The word of the moment is 'Pivot'. Rather than continuing to operate as you have done in the past, what can you adjust to update your offer and address the changing needs of your marketplace?

What are the problems your customers have now, and what solutions can you provide? What opportunities for new growth do you have?

Will your offer to the market, in terms of product range or services, require an alternative approach? And if so, how can you put that in place? Will the way you supply your product or service be different in the future?



AFTER LOCKDOWN, BREAKING FREE

GET YOUR TEAM ON SIDE

If you have employees, they may well have been furloughed.

Some people will have been at home with their family, enjoying extra time together. And those who are lucky enough to have a garden will have enjoyed some great weather last summer. But now we are in the traditional English winter – some days warm and sunny, but many days very chilly and overcast.

Other people will have found the restrictions of being at home difficult, not to say very stressful, because of the tensions within their relationships.

Being at home for an extended period of time may have had a negative impact on some, especially on those living alone. Stress can have a very detrimental effect on well-being.

Keep a watchful eye out for any team members showing signs of stress and be aware that some people may need extra support. Mental distress can often be hidden, but have a profound impact.

Nonetheless, most people are able to handle the restrictions of lockdown reasonably well, even if it is very confining for those having to self-isolate or shield a family member.

Some of your team may have revised their priorities after many months at home without work. What have they been doing?

Those with initiative, skills and good health may have taken up other roles, either paid or voluntary.

GET YOUR TEAM ON SIDE

Have they gained extra skills or an understanding of life that could help when they come back to work? The dental receptionist who has been voluntarily delivering shopping for housebound residents is likely to have a greater understanding of how some lonely people are handling this pandemic.

The office manager who took to shelf-stacking in the supermarket may well have gained a revised perspective on the roles played by his fellow key workers as well as his contact with the general public.

And some have faced long term occupational changes, such as the airline pilot who swapped flying an airbus for driving a local bus, and given his age, may not be able to return to flying once the pandemic is over.

Others have been self-isolating or shielding, remaining at home, and possibly becoming carers for a family member or similar.

Some may have found that their motivation has dwindled and have retreated into their shells. The effects of the pressures on those living in small accommodation with limited access to the outside world should be taken into account.

And what about their loyalty? Those who can't wait to come back and play their part are likely to be key members of your future team.

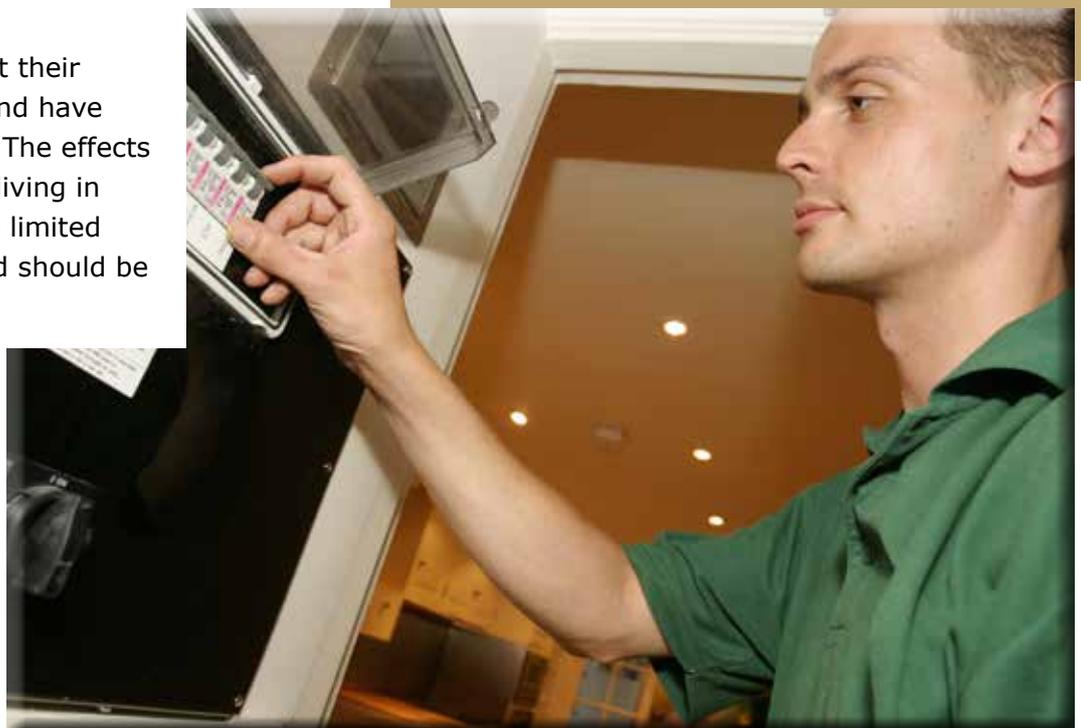
Others may need extra support and help to adjust and return to their previous routine.

And there may be some who seem less enthusiastic to come back, and perhaps would prefer to look elsewhere for their future.

Dynamic, pro-active team members will warrant careful management and understanding as they return to work.

They are likely to want reassurance that you value them and their input. A clear indication that you trust them to play their part will produce the best results. This is no time for micro managing.

Trust your team and empower them. Appreciate their knowledge and skills, and let them grow to serve the new market. Lead from the back, with a gentle hand on the tiller.



CAN YOU MAKE FLEXIBLE WORKING PERMANENT?



Perhaps they have adopted flexible hours, possibly starting and finishing earlier, giving them time to spend with their family before young children go to bed.

They will certainly have found advantages in cutting out travel in terms of both saving time and costs.

Teams, WhatsApp, Skype and Zoom calls have become the norm, rather than getting in the car or taking the train.

Can you continue to let some people work at home, at least part of the time in future? And what about paying for selected online courses that help them work more effectively on their own.

And are they now able to plan their own schedules, at least to a degree, provided the required quality of work is maintained, and both budgets and deadlines adhered to?



UPDATE CUSTOMERS AND CLIENTS

It is important to let your customers know what's happening. If you have had to close, when you reopen, you should proclaim it from the rooftops.

The more recently you have been in touch with customers, the more likely they are to remember you rather than your competition when they need your product or service. But don't hide behind emails.

Pick up the phone and speak to as many customers as possible.



This is where a comprehensive database becomes invaluable. For those of you who do not have a database at the moment, one of your priorities should be to set one up soonest. But people are no longer happy just to give you their name and email for free. They need to be tempted.

Offer customers something in return for their contact details – something they will value, and yet costs you relatively little. For example, if you are providing a service, you could say their fifth order is half price, and so you can schedule this, you need their details. This process encourages loyalty and stimulates customers to feel you have an interest in them and value their custom.

Ideally, you need to collect their name, address, email and phone number along with any special notes, such as repeat orders they place.

You can then use the database to keep in regular contact, and also to let them have the occasional extra 'treat'. But don't over do it. People receive far too many emails, most of which are ignored. Far better to send them a hand-written postcard perhaps three or four times a year.

Ask your customers how things are going for them and show genuine concern and interest. Nurturing relationships is now more important than ever, because if you don't, your competition will. If you can't or don't travel to customers, a quick phone call can maintain that important contact.

And where possible, use a landline. They are far clearer than mobiles with poor signals when people either don't hear what you say, or have to ask you to repeat things. Some people will refuse to take the call if they don't recognise a mobile number, but may well know your regular office number.

Keep them informed on what you are doing and get their feedback. What are their priorities and problems now, and how can you solve them? What do they think of any new products or services you are offering?

And if you can't help them, do you know someone who can? Introducing customers to another supplier is likely to be remembered positively, and you will be seen as a reliable source of information.

CHANGING YOUR OFFER

There are numerous examples of how companies have changed their offer in the last year - the gym that now gives online courses; the wholesale food company that was supplying restaurants and is now delivering home catering packs to private houses.

Virtual meetings and online training enable advice to be given without visiting the clients' premises or have them come to you.

When they heard of the shortage of PPE, the fashion brand Barbour adapted their production line in their South Shields factory to manufacture disposable gowns for healthcare workers and the NHS.

Hensol Castle Distillery in the Vale of Glamorgan, South Wales, switched from spirits and specialist gin to manufacturing an alcohol-based hand sanitiser to World Health Organisation standards. It produced some 800,000 x 100 ml bottles and over 120,000 litres in the first eight weeks and is now supplying the general public as well as the NHS and Metropolitan Police.

The British Honey Company is another spirits firm that launched an alcohol-based hand sanitiser. This new venture considerably exceeded management's expectations, with a reported £500,000 revenue in the first six weeks.



Some taxi companies have installed screens between the front and back seats, with drivers wearing gloves and masks, and the driver getting out between passengers and wiping down the door handles and seats – all steps that build confidence in passengers, especially those vulnerable ones who may be being taken the journey to and from a hospital or doctor's appointment.

Is there something you can take from these examples and adapt for your particular field? If you have not adjusted to the new market circumstances so far, what is viable for you to do now? It is unlikely that many firms will be able to continue just as before and remain profitable.

Enlist your customers' help when planning your future activities. Are there products or services that they need, and which perhaps, in the past, you have not offered, but with a bit of juggling you could provide? This may lead to strategic alliances with suppliers or other contacts that you have, opening up new opportunities.

CHANGING YOUR OFFER

Purchases on line have expanded dramatically, with 96% of the UK population having internet access. Back in October 2019 only around 20% of consumer spending was on-line. March 23 last year saw the announcement of lockdown measures, and a subsequent increase of more than a third (35%), week on week, in online purchases as retailers and consumers adapted quickly to social distancing measures and buying from home.

According to *Internet Retailing*, in April 2020 the pandemic saw a surge of 129%, week on week, in online shopping coupled with increased consumer expectations. Customers want contactless services, convenience and an increasing emphasis on ethical considerations. Ideally, packaging should be minimal and recyclable.

We all heard of the high demand for supermarket home deliveries in lockdown, and the difficulty in getting slots. Some small firms saw this as an opening. When street markets were closed, market traders started delivering orders direct to customers at home. Out-of-town farm shops sprung up, offering fresh produce, while observing social distancing.

Contactless retail enables immediate order fulfilment with click and collect. It is highly unlikely that this trend will reverse once we are free to move around as we wish.

Is this something you can adapt for your products? Can you seize the opportunities generated by selling online?

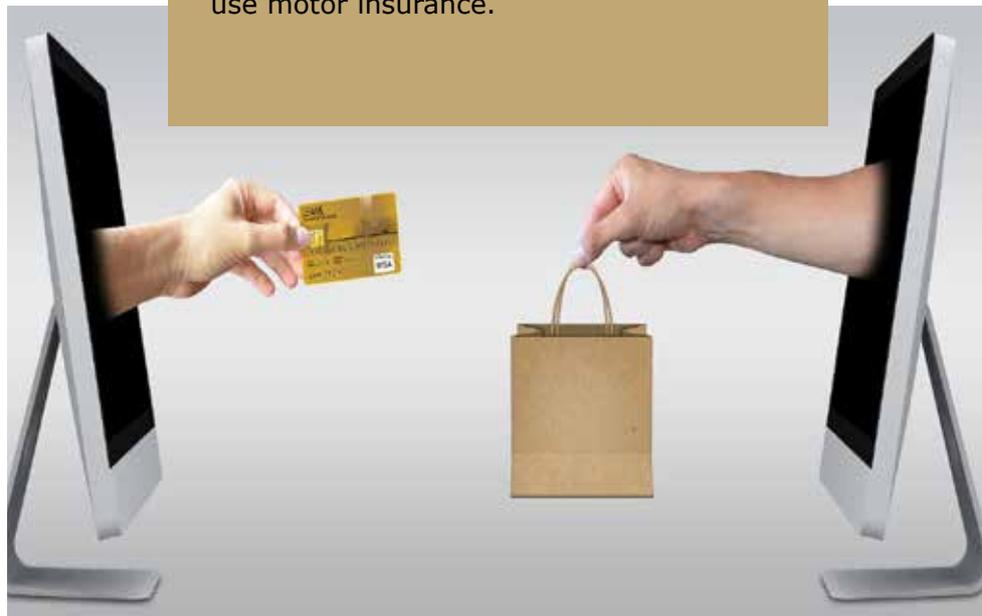
Or if you are in a service sector, could you add a complementary product range to your offer?

Contact free deliveries, with photos of product delivered to the doorstep replacing signatures, have become the norm. Shoppers are now prepared to pay a premium for swift delivery, with items ordered one evening and arriving the following morning.

Accurate up-to-the-minute inventory information is vital, while logistics and deliveries have become extremely efficient. This type of service may require an upgrade in your IT systems.

If you provide courier services, get in touch with firms that used to sell through High Street outlets and are now selling online to see about securing delivery contracts with them.

If you don't have current spare capacity, look to using freelance drivers with vehicles (think of the Uber model). But do check that they have suitable, business use motor insurance.



DISCRETIONARY SPENDING HAS FALLEN

If you are in a sector that encompasses discretionary consumer spending rather than vital items, you are likely to find the current months more difficult. Inevitably, even with the vaccines, there is a fear that there might be more waves of COVID-19. As such, while some consumers rushed out to spend as soon as non-essential shops were allowed to reopen last year, many people are preferring to save their money for essential things.

Perhaps you can include a selection of essential items in your product range.

FINANCIAL TRIAGE

Remember that cash is king. Businesses don't go bust from a lack of orders – they go bust from a lack of cash. Now is the time to conduct a financial triage.

Re-structure any debts, and where you can, set your own rules.

This applies in particular to rent, rates, mortgage repayments and similar.

Explain your plans for the future to your landlord, bank and official bodies, agreeing with them a revised timetable to make payments, and where you can, arrange a reduction in what you pay to ease the pressure on your cash flow, at least in the short term.

Only pay creditors as needed, releasing funds slowly. Send a cheque by second class post rather than making instant BACs payments.

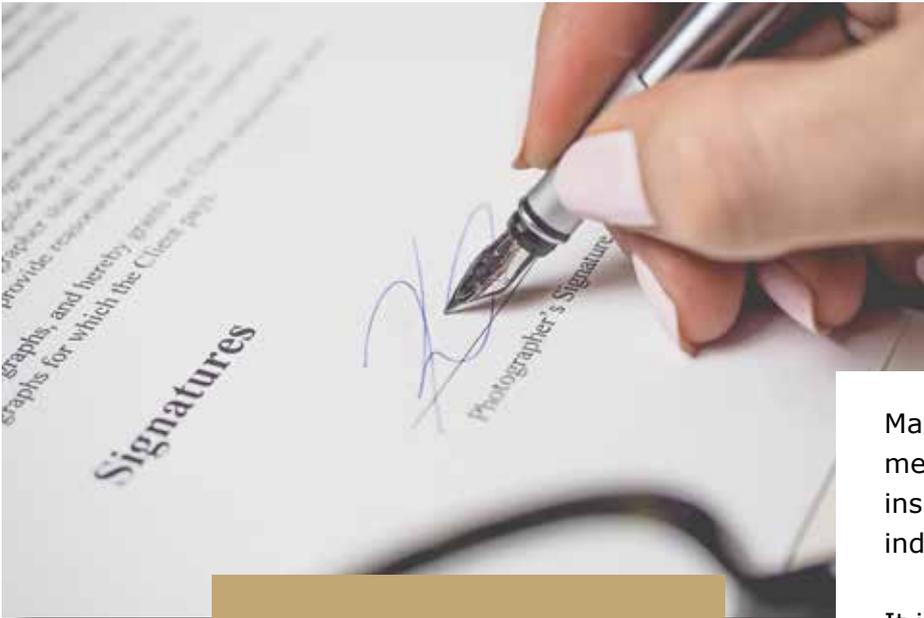


But collect any monies due promptly.

And don't let the large companies delay paying you on time.

Set your own ground rules and keep your finger on the financial pulse.

FINANCIAL TRIAGE



When renewing contracts, check price comparison websites such as moneysavingexpert.com or moneysupermarket.com to compare prices for insurance, energy supplies and loans.

A quick five minute web search saved me £150 when I last renewed my car insurance. Just think how much you could save if you have a fleet of vehicles.

Another source of insurance at advantageous rates is through professional bodies, institutes or business organisations.

Many offer discounts or special members' rates on office insurance or professional indemnity insurance.

It is worth checking out these options before you go direct to an insurance broker.

Similarly, organisations such as the Federation of Small Businesses give members free everyday banking, access to the latest information on health and safety at work, and a telephone legal advice line among other services, all included in the membership package.



KEEP OVERHEADS LOW

Take a look at all expenses, especially those regular, albeit small payments or standing orders, and determine whether they are vital or can be dispensed with.

A dozen items that are individually just £20 or £25 per month can slip under the radar, but when added up come to several thousand pounds a year.

Only spend what you really need to.

Hire, lease or sub-contract, rather than own or employ. It is often cheaper if you only pay when the product or service is needed.

With skills, there are some first-class global sources of freelancers who provide top quality work for modest charges. These websites give you access to professional expertise without the attendant high fees.

Here is an example of sub-contract support in operation. When I needed a logo for my recently introduced How2Publishing division, I gave a freelance graphic designer a detailed Brief. Admittedly I had a clear idea of what I wanted, but the artwork for the logo cost a mere £25 and was delivered within 48 hours.

How 2 Publishing



The new £25 logo

If you have stock, only keep a minimum, or just buy product once you have a confirmed order if that is viable.

For all manufacturers, work on a Just In Time basis with parts coming in when you are ready to use them, rather than sitting in a stock-room.

If you currently have stock that is not being used, can you sell it off to raise revenue? Effective stock control can save considerable sums.

WHAT TRANSPORT DO YOU REALLY NEED?

Cars are frequently part of the employment package for some team members, managers or directors. These can be tied up with perceived status, but in an age when we are increasingly environmentally conscious of what resources we use, should you switch to pool cars?

And if most work journeys are only short distances, what about electric vehicles, or at the least, hybrids?

FURTHER FUNDING



So many Government loans and grants have been launched in the last year, it has been a somewhat bewildering minefield to find your way through, and ensure you select the best support for your particular circumstances.

What finance will you need in the coming months and where can you best source it?

Can you get grants? Or are you restricted to loans which will have to be repaid?

Government support is still changing as we move forward. So do check the best sources of funding that apply to you and your sector. A pro-active accountant can help here.

Set out a timetable and cash flow plan for the next 6-12 months.

Determine who will do what in line with an agreed schedule of actions, responsibilities and deadlines.

And if you believe that, once Government funding ceases, you will have to consider redundancies, now is the time to start reviewing what changes you will need to make and what roles will no longer be viable.

But don't sacrifice long-term goals by reducing inclusivity, or access to talent and varied thinking.

Take time and care to assess the skills and diversity in your team. And avoid losing expertise that would have helped you grow in future. Sometimes those part-timers, disabled employees or people with family responsibilities are worth their weight in gold.

SECURE THE VALUE IN YOUR BUSINESS



There can often be a tendency to build your business with property, plant and equipment, services and products all under one corporate body. This may be potentially dangerous, or at least, unwise.

The same applies to intellectual property such as brands, logos, trademarks, industrial designs, and patents. And a frequently under-valued asset is a company's database, which can be a potential source of substantial revenue.

It is often better to consider having separate limited companies for different aspects of your assets. Provided there is no lien or debt on items such as plant, equipment or property, each of these can then be ring-fenced. This not only protects the different aspects of your business, but may also have tax advantages, although there can be additional consequential admin costs.

By keeping different assets apart and leasing them back to the main company, if one function should run into difficulties, it will not be like a house of cards with the whole entity collapsing. And while you are conducting a review, reassess the needs for your various assets.

Do you really need those prestigious offices? If you own the building, could you let part of the premises to bring in an income?

Even if you only have a lease, you might sub-let part of your premises, provided that does not infringe the terms of your tenancy.

It may be far more cost-effective to supply your team members with laptops for use at home, along with an allowance for internet services and the like, than providing them with expensive permanent desk space and all the associated costs.

CYBER SECURITY - CONDUCT A SECURITY ASSESSMENT



Do you have control and access to your website as an administrator and owner?

Can you change or update the website content?

Can you change its passwords if necessary?

Also ensure you can control who has access to the website.

You don't want to be held hostage by a website provider or designer when you no longer want to use their services.

What about passwords for other equipment such as laptops used by your team members?

And can anyone come in with a memory stick, download vital data and take it away without you being aware?

This is especially important if you might have to make redundancies, or a team member feels hard done by through lockdown, or is thinking of just going down the road and setting up in competition with you.

A cyber security audit might be worth considering.

BE OPTIMISTIC RATHER THAN PESSIMISTIC



Although you may feel you have been through the mill recently, things could be far worse.

Historically, mankind has suffered many plagues and pandemics, but the last truly global pandemic, Spanish flu in 1919, was a century ago, so no one alive remembers what that experience was like.

But world travel has dramatically expanded since then, and so spring 2020 saw this latest virus transmitted around the world on a plane within 24 hours.

With rolling news, and journalists' inclination to focus on bad rather than good news, it can take courage to go forward positively after consistent negative stories. Numbers of COVID deaths are given daily in the news, but there is little if any reference to the numbers of people who died daily before the virus appeared.

In addition, COVID-19 has killed a disproportionate number of care workers and NHS staff, just the people we rely on and have been seen to do such sterling work in this pandemic.

But Coronavirus has a relatively low mortality rate. Smallpox, which was around until 1979, killed 30% of those infected.

Most people who get COVID-19 do survive, especially those under 65 and without an underlying medical condition, although at the moment we do not know if there will be any long-term implications.

So we must keep things in proportion.

Don't be overwhelmed by current events.

GOING FORWARD

"Doubt is uncomfortable, but certainty is ridiculous"
Voltaire

It is impossible to foresee what will happen in the next 12 months. It is a genuine case of nobody knows. The world has never been in such circumstances before and prediction is spurious.

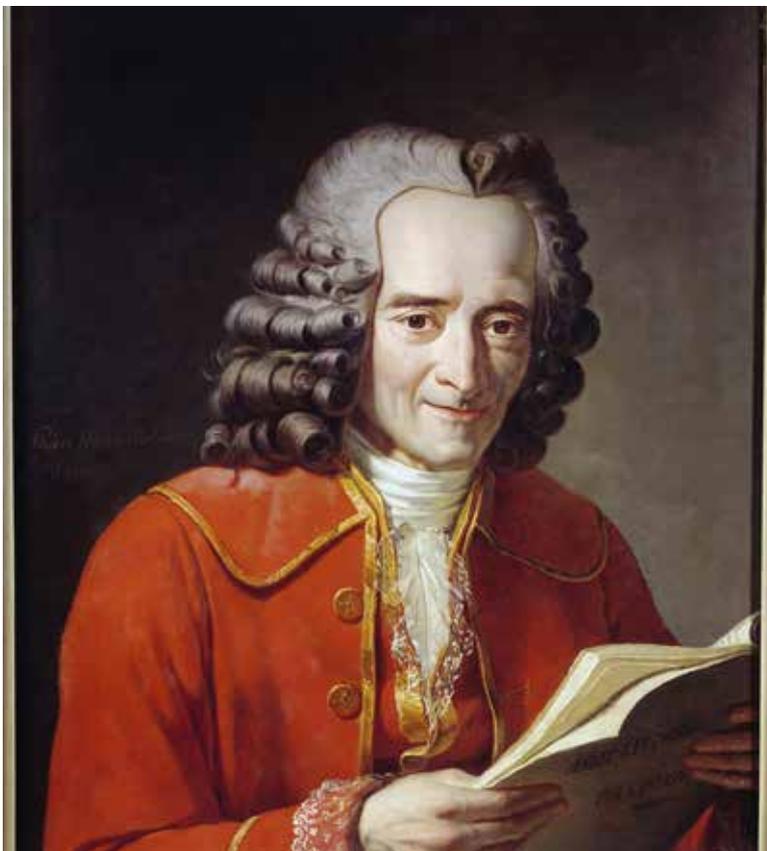
Before COVID-19 we were concerned with Brexit, but we are now facing an even greater cliff-edge. Large sections of the economy are near collapse. Hospitality and travel have been decimated and will take time to recover. Non-essential retail is struggling.

Apart from health-care, public services and food and drink sectors, most other parts of the economy have suffered, some more than others. Areas as diverse as sports clubs, orchestras and zoos, not previously seen as particularly precarious sectors, have been devastated. Universities have lost student revenue, both from the UK and overseas; factories have been mothballed and social interaction curtailed.

But things are beginning to get better. We now know much more about this virus, its effects and how to treat them. Vaccines are being administered. The new variants, while seemingly more contagious, do not appear to be more deadly than the original version.

People are increasingly raising voices that quality of life is more important than isolation. Humans need interaction, they need touch and close relationships. There comes a time when the balance of risk has to be reassessed.

Now it the time to trust your instincts and make your own decisions where you can, without putting others or yourselves at unnecessary risks.



WHAT'S YOUR NEXT BEST STEP?

What are your key problems at the moment? What would you like to sort out quickly and easily? Where do you see your business in 6-12 months' time?

Drop me an email to info@abucon.co.uk or call 020 7834 1066 and we can arrange a complimentary chat to look at what you can do now, how you can best pivot your offer to better serve the needs of your customers and improve your bottom line. I am here to help, and it might just be the most beneficial call you make this year.



Liza Jones, Abucon Ltd

As an advisor to management, Liza brings constructive support to companies reaching a crossroads. She helps with mergers, acquisitions and investment, buying and selling companies. She counsels firms seeking a change of direction, giving guidance with corporate communications and team building, or assistance with an exit strategy or joint venture.

With more than 30 years' experience assisting 100+ companies, Liza brings objective, broad-based advice, diverse benefits and creative input to enable businesses to improve their performance, gain competitive advantage and enhance their progress, whatever their goals.

