

## Monthly Update | January 2018

Welcome to our monthly business newsletter designed to help you concentrate on working more “ON” your business, rather than “IN” it. Please remember our skills and experience can provide you with help and support, give you a strong shoulder to lean on and someone on your side, to bounce ideas off.

Best wishes

**Joanne Beaumont-Walker**

*DipHE(A) FCCA CTA MCM*

Deputy Managing Partner

### Value Is Not The Same As Price

**In order to create an effective pricing strategy for your products or services, you need to understand your customer’s perceived value of your offering.**

Value is a complex issue. Different customers perceive the value of a product or service on factors varying from quality through to brand equity, ethical considerations, environmental sustainability and customer service etc.

Customers rarely purchase based on price alone. Most customers (over 50% according to a recent study), make a buying decision based on brand. As such, your brand must create a point of difference in order to achieve a competitive edge. The key is to add value to your brand’s proposition so that price is not the key differentiator.

Understanding the demographics of your client base can pay dividends in adding value (perceived or otherwise) to your brand.

Older or more sophisticated customers often place a higher value on quality and customer service. This is because they are financially more secure and tend to spend money on fewer items, while choosing brands that they trust to deliver an expected level of quality and service.

Younger customers tend to want cheaper prices because they are often less financially secure. As such they are more likely to purchase from disruptive brands and, as a result, are more likely to be happy with online delivery channels.

Most of all, customers tend to favour brands whose values match their own. So, if your customers tend to favour innovation then you should try to position your business as an innovative player in your respective market.

If your customers favour ethical brands that are big on promoting environmental sustainability, you should try to reflect these values in the way that you market your business. Your pricing strategy can then reflect this added value in order to deliver a product or service at a level that generates a sustainable level of profit for your business.

### Managing Change

**In business, change is inevitable. The business landscape is constantly evolving and how effectively you manage change can determine the success or failure of your company.**

### Communication is Key

Any time there is a major change in a business, there will be a natural dip in productivity levels as people react and adapt to something new. Explain what is happening to your team members, keep them up to date and encourage them to ask questions. This will help them to feel involved in the changes.

## Monthly Update | January 2018

### **Be Patient**

Give people time to adapt. As a manager, by the time you have announced a change, you have probably had an opportunity to work through the details. Your employees will not have had this opportunity so it may take time for them to reach the same conclusion as you - that the change is a good thing and / or is necessary.

### **Deal with Negativity**

Your chances of getting everything 100% right are pretty slim. Be prepared for some people to react negatively to change and allow time for people to process the information. If you notice that some people have adopted a negative stance, chat with them with a view to addressing any problems. Ask for their view in terms of getting the changes over the line. They might be willing to share a few suggestions and this may encourage them to engage in the change project in a positive way.

### **The Impact of Culture**

Rather than trying to change the culture of your business, you can draw energy from it. You and your management team can leverage the way your people think and work in order to provide a boost to your change initiative. To do this, look for the elements of your company's culture that are aligned to the change, bring them to the foreground, and attract the attention of the people who will be affected by the change.

### **Key Trends To Watch In 2018**

**Technology and innovation are driving the evolution of most businesses these days. Here are some of the key business trends to watch out for in 2018.**

### **Blockchain and cryptocurrencies**

A blockchain is a digital, decentralised, public ledger of all cryptocurrency transactions. Blockchain is a way of bringing trust and transparency to the way businesses operate online, while mitigating many of the weakest points in existing processes. Cryptocurrencies such as Bitcoin are receiving a lot of press coverage. These online, digital currencies use blockchain technology to facilitate payments. Both are likely to be a big trend in 2018 and beyond.

### **Artificial intelligence (AI)**

AI has developed in 2017 and looks set to continue to do so in 2018. Businesses are starting to find ways to utilise this technology in terms of automating tasks and creating efficiencies. Some are starting to use AI to automate document assembly or to analyse large data sets. Businesses are experiencing cost pressures and AI is front and centre when it comes to finding ways to deliver more with less cost.

### **Millennials move into management**

Millennials are no longer children - the oldest of them are now 35. Millennials are starting to take leadership roles within businesses and in addition to managing their peers, they will soon be managing Generation Z employees. It will be interesting to see if Millennial managers complain about Generation Z as much as Baby Boomers and Generation X complained about Millennials.

### **Cloud computing will continue to develop**

Software as a Service (SaaS) created a flexible opportunity for businesses and consumers to try out early cloud services. The growth of infrastructure and platform as a service (IaaS and PaaS) have expanded the number of cloud solutions available in the public and private sectors. Cloud based file storage will likely continue to be a big trend and this should drive ongoing developments in the cyber security sector.