

Monthly Update | December 2019

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

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Executing your strategy

Having a good strategy is one thing, executing it well can be a huge challenge.

Many business owners and managers are familiar with the scenario - you arrange a strategy day with your team, capture the outputs and create a strategic plan. Everyone goes back to the office, the strategy paper gets filed and that is the last you see of it until next year's strategy day. The hardest part of any business strategy is implementation.

Once you have created your strategy, you need to start engaging with your organisation. The communication process is key and needs to be two-way. You need to create a mechanism for people in your business to feed back their view.

Once you have your feedback and have finalised your strategic plan, the next step is to start creating tangible objectives.

Each objective should have a dedicated owner (who is responsible and accountable), a deadline and regular updates on progress towards each goal should be provided at, for example, a monthly meeting.



Tracking and reporting are key components of executing any strategy. Monthly updates should be provided by the people responsible for each objective and should include a quantitative measure of progress and a short commentary to add background information about progress to date, expected timeline for delivery, resources required for the next stage, and so on.

Performance management is also key to successfully implementing your strategy. Your team need to be accountable and you need to create a connection between the strategic objectives of the business and your team member's day jobs. Each person on your team should have a set of objectives which cascade from the overall company objectives that are set out in your strategy document. Aligning the objectives of each individual with the overall goals of your business ensures that your whole team is working towards the same common goal.

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You should measure and reward people for their contribution to achieving the company's strategy. This encourages the right behaviours among your team.

Executing your strategy isn't a process. It is about developing a culture in your business where everyone is working towards a common set of goals. At the end of each year, you should evaluate your strategy, keep the bits that are working well and update those parts that haven't been so successful.

Reduce debtor days to improve cash flow.

Cash flow is king in any business. Yet cash flow is one of the areas that many businesses struggle to manage.



Customers are reluctant to part with their money, even if it's to pay for your goods or services. As such, it can take a while for them to pay their invoices.

While longer debtor days might not be a big issue for huge international corporations, for the rest of us, it can be a very real source of stress.

You need your customers to pay you as quickly as possible so you can continue to run your business, so it's easy to find yourself working extra hours, chasing up late-paying clients. Here are a few tips to help you to reduce your debtor's days.



Be clear and concise

When creating an invoice, think about your messaging. Is the due date easy to see on the page, does your invoice state exactly how much payment is required and have you clearly outlined the various payment options that you accept (such as bank transfers, cash, cheque, etc.)? Options such as "pay now", "pay by installments" or "pay on the due date" should be clearly set out.

Offer incentives

Sometimes offering a small discount can motivate your clients to pay on time. Offering say, 5% off the total bill for clients who pay within 2 weeks of the invoice date can help a business to get cash in quicker. Setting this type of incentive out at the beginning of a client relationship can go down well as clients can see the early payment discount as a "value add".

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Charge fees for late payment

Incentivise customers to pay you on time by charging a fee for late payments. If you communicate the terms and conditions around late fees clearly, clients will not be surprised if they are charged for late payment.



If you are going to charge customers for late payment, it is usually effective to give some sort of warning. It may be helpful to send an email saying that "payment is due in 10 days time and if it isn't received, a late payment fee will be applied." This gives the customer an opportunity to respond.

Embrace technology

There are a vast array of systems available to help businesses to track invoices, monitor payments and manage customers who have missed payment deadlines. With an automated accounts receivable system, you can keep track of the status of each invoice, who has paid and what is outstanding. You can set up automatic reminders at crucial moments in the payment cycle and significantly reduce your administration time.

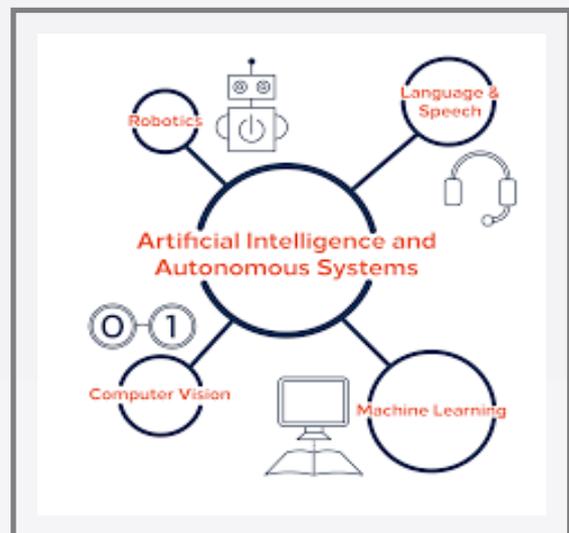
By implementing the above strategies, you can reduce debtor days in your business and ensure that you are getting cash in as quickly as possible.

The Future of Work

There is a lot of jargon out there around "the future of work". What does it really mean for businesses?

There is a lot of buzz around trends like artificial intelligence (AI), machine learning, blockchain, remote working, agile working, augmented reality (AR) and various other new concepts. As technology improves we have new opportunities to automate tasks.

If we leverage new technology effectively, it will free us up to focus on other tasks. Understanding the future of work involves understanding how automation will play out and how that will affect the way we work in the years to come. There are two levels of automation at play.



Assisted Intelligence, where systems and technology help us to perform a task.

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A good example is how GPS helps us to navigate to a destination. Autonomous Intelligence is where the technology takes the task off our hands entirely. For example - a driverless car, which navigates itself to its destination without any input from a human driver.

In any business, some tasks are completed by people and some by machines / technology. The future of work is concerned with the ever-increasing amount of work that needs to be done and the fact that work is becoming more complex. For example, due to increasing levels of regulation, businesses need to comply with increasingly complex rules such as GDPR or changes to taxation. Rather than hire more and more people, which is expensive, businesses need to leverage technology in order to get everything done, while still managing costs.



So, the future of work is all about machines and technology taking repetitive tasks off our hands so that we are freed up to do the work that machines aren't good at. This includes leadership, creativity, innovation and collaboration. In order to make this transition successfully, businesses need to become learning organisations. In a learning organisation, the firm needs to focus on nurturing talent and developing new skillsets in order to create a more successful business. The future of work looks set to be interesting, challenging and full of opportunity, for those who embrace change.