

Planning for a new future

A guide to business strategy

The Covid-19 crisis has affected every area of our lives, from the immense and tragic human cost to the wide-ranging impact on the economy.

While some of these changes will be short-term, the outbreak and resulting lockdown will leave an indelible mark on society, our attitudes and the way we do business.

How extensive and damaging this will be is unknown. A recent survey of businesses by accountancy marketers PracticeWeb, published four weeks after social distancing restrictions were imposed, found that more than a third (35%) were struggling to keep trading, while 16% had closed. However, a relatively high percentage (29%) were continuing to trade as normal and a further 19% said the effects of the virus on their business were not clear.

It is undoubtedly going to be a difficult and very different environment to the one we were used to – as well as the fallout from this crisis, the challenges that pre-existed Coronavirus, such as Brexit, are still there.

Now that government has begun an easing of lockdown restrictions, there will be a need for businesses to try to return to normal – or a new version of normal – as quickly and safely as they can.

To succeed in this new climate they will need to be flexible and agile and ensure they have carefully planned for the challenges and opportunities that lie ahead. Here are some of the themes we expect to emerge.

A change in attitudes

For many of us, lockdown has given us a shift in perspective. For parents who have been working from home, the need to fit work around family life and home schooling have driven a more flexible working schedule.

People who had perhaps never previously used technology such as videoconferencing software will now be familiar with it and may be questioning the need to travel so often for meetings.

In a wider sense, we may be re-evaluating what's important to us – how we spend our time, who with, and our work/life balance.

Consider:

- ❑ What changes have you made during lockdown that are worth keeping? Could technology help you work more efficiently and productively?
- ❑ Could staff work more flexibly? What does that mean for the way you use your premises?
- ❑ How do you measure success? Financially, and in terms of your wellbeing and that of your employees.

Changing business models

New business models that were born out of necessity – pubs offering takeaway services, doctors consulting with patients on video, training courses and networking events being held exclusively online – may stick with us as a leaner, more efficient way of working. In some ways, the crisis has accelerated changes that were already under way.

You may want to consider spending a day on your strategy and plan for the future so that you can take advantage of the opportunities that might come your way or ones that you seek out. Particularly if you have a strong balance sheet, you could be in a good position to grow your business because you have been efficient, used technology, retained your people and skills, still have your distribution lines in place and your marketing has continued to generate leads.

Consider:

- ❑ How can you continue to diversify your offering to create new and different revenue streams?
- ❑ What did you do during lockdown that your customers valued? How can you build on that success?
- ❑ How did your competitors react? Should you follow them, or strike out in your own direction?

A shift in values

There must be very few people who could honestly say they hadn't thought about this crisis not just in terms of their own situation, but in the context of society as a whole. Certainly it would be difficult to take the NHS for granted now, as the weekly applause for health workers has shown.

You may have questioned or changed your ideas about politics and inequalities in society and be more driven than ever by a desire to "do the right thing".

There is plenty of evidence that this is how the public has been feeling, with businesses that have been seen to be supporting workers and donating to good causes earning praise and good will, amplified by social media, that will stand them in good stead throughout the crisis and beyond. Conversely, businesses which are perceived to have treated staff or loyal customers badly during this time will need to work hard to shift public perception of them.

It may be that this "we're all in it together" mentality will be short-lived, but the hope would be that businesses which have seen the value of 'giving back' will continue to do so through donations, positive attitudes to staff wellbeing and meaningful CSR activity.

Consider:

- ❑ Who are the heroes and villains of the Covid-19 crisis? How did the public react to them?
- ❑ What could you do now, or in the future, to support others who may be struggling in the aftermath of the lockdown?
- ❑ How can you "give back" through a CSR strategy that is meaningful, and ties in with your business objectives?

The Four R's Of Success

Reflect

It is likely that you had to make quick decisions during the crisis. While it was essential at the time, there may have been aspects that, with hindsight, could have been handled in a different manner.

Reflect on your actions and work out what went well and shows your business strengths, and where there are areas of improvement – what did your competitors do?

Reach Out

Communication is essential during this time. Your business has this opportunity to reach out to your customers to build and strengthen relationships in a way you haven't been able to do previously. Remember, how you interact with customers now may shape how they feel about your business in the future.

It is crucial to also touch base with your employees and suppliers and determine if there are any immediate issues that you need to address. Unfortunately, the outbreak and its effect in causing an economic downturn may mean you have had to let staff go, and there may be areas of your business that now need to be assigned to other members of the team.

Similarly, your suppliers may have struggled or possibly collapsed so it is vital to thoroughly review your supply chain to ensure everything can run as it should when you're back to operating at full capacity.

Revenue

One positive of this outbreak is that it has led many businesses to diversify their offering to create different revenue streams, which spreads risk for the future.

With the lockdown exposing different customer demands, businesses that can and have adapted to these new needs, will be agile and in a better place than their competitors.

Reinvent

This outbreak has been a huge wake-up call for some businesses who may not have responded in the best way possible. Now is the time to get back on track.

One key point is to hit the ground running when we come out of this pandemic, as soon as it passes, otherwise the opportunities will pass you by and the business will soon fall behind the others in your sector who are more prepared. Should you change the way you do business? Shift to be more focused online? Streamline your products or services?

Planning for the future

An HWB Planning for the Future Strategy Meeting will help you start working on the themes in this document. Our specialist business advisors will help you examine your business, its goals and priorities post Covid-19 and help you clarify your vision.

What are the benefits of the planning for the future service?

The service will:

- ❑ Enable business owners to clarify the vision for the future.
- ❑ Provide the directors, shareholders and key individuals of the organisation with the opportunity of meeting away from the office with no interruptions.
- ❑ Allow freedom to exchange views and offer suggestions for the way forward.
- ❑ Ensure that there is agreement on the order of priority of what needs to be done and how these will be address.
- ❑ Provide a clear action plan of what needs to be focused upon in the next three months.
- ❑ Provide a report that captures all the views and suggestions made during the strategy meeting in an easy to read format that can be referred to in the future.

What is involved?

Spending time away from the office attending strategy meeting led by one of HWB's trained facilitators to discuss and agree on the plans for the future.

Prior to the first strategy meeting, all the individuals who are to attend will complete questionnaires that will then be reviewed by the facilitator.

At the first strategy meeting there will be detailed discussion of:

- ❑ Where the business is now with its sales, customers, suppliers, people and finance.
- ❑ Where the business owners and key individuals would like it to be in one year and five years' time.
- ❑ How the business can move from the current position to achieve the vision for the future.

Key issues will be identified and prioritised.

How the top 3 or 4 issues are to be addressed will be agreed and culminate in a one-page action plan. This will ensure that the matters that have the biggest impact on the business will be focused on first.

A report will be produced and it is recommended that follow up strategy meetings are held at regular intervals to monitor progress and ensure the issues identified are addressed in order of priority.

Contact

Speak to Richard Hurst on 02380 4612369 or email richard.hurst@hwb-accountants.com