

12 ways to future proof your business



INTRODUCTION

Businesses have faced another challenging year with the backdrop of continued inflation and cost of living, tight labour market and the general volatility of the economic and political environment.

The positive is that those that have survived, and even flourished, have done so because of good planning, being agile and thinking creatively. 2024 will present a further period of rapid change and no doubt unpredictability. With that comes a plethora of opportunities.

This eBook offers some ideas and guidelines to plan for the year ahead.



Howard Woolf

PARTNER

+44 (0)20 8492 5603

hwoolf@geraldedelman.com



GERALD
EDELMAN



STEP #1

Get to know your business inside and out



Quality data is key and will provide deeper insight into the performance and success of specific areas of your business, whether its sales, marketing, operations, customer service, retention, employee engagement or anything else considered to be a key performance indicator.

Every business must think of itself as a tech business. Data analytics and Artificial Intelligence are already starting to augment all businesses.

Data on sales and an in-depth knowledge of your customers, understanding your product/service's strength and weaknesses, supply line management, timely and accurate accounting records, identifying KPIs and regularly testing actuals against these enables management to truly understand the business and make the right decisions at the right time.

STEP #2

Plan for success



It is recommended that you should have a SWOT analysis in place which is regularly reviewed, giving you full understanding of your business' strengths, weaknesses, opportunities and threats. You should also consider producing one for individual teams. A SWOT will provide a clear aerial shot of the business and will focus the mind on the areas that matter most to ensure risks are mitigated and opportunities are taken.

Furthermore, if your business has been able to preserve cash or generate cash surpluses, then periods of uncertainty may be the time to plan and invest in growth initiatives. If you choose to do this, these should already be listed under your SWOT analysis.



A SWOT will provide a clear aerial shot of the business and will focus the mind on the areas that matter most.





STEP #3

What cash is available?



Reliable cash flow forecasts with sensitivity analysis tell you whether your business has enough money to maintain its current level of performance, expand, or whether it's better to consolidate your position ahead of time. Economic downturns often catch businesses by surprise. In these instances, cash is king in the short-term. However, your management team should look to the future as opportunities to invest, when less prepared competitors are able to, can greatly benefit the business in the medium to long term.

Smart businesses take time to understand their liquidity options and have potential sources of funding lined up, just in case the need or opportunity arises. This may include funding from personal finances or family members, bank facilities, government loans and grants, or private equity.

STEP #4

Vision, Mission and Purpose



During uncertain times, management is often focused on fire fighting and the original reason you went into business gets clouded. Having a clear Vision, Mission and Purpose is essential in reminding you of why you went into business in the first place, providing a much-needed focus for the team.

Whilst a Vision looks to the future and the Mission at how the business will achieve the Vision. A Purpose drives a company's behaviours, how you act with your team and what decisions you make.

Your company will have a clear sense of direction through its Vision, Mission and Purpose. These enable stakeholders to know, even in turbulent times, what they're buying into and align themselves to it, creating a space of collective focus even when things seem unpredictable.

You may also consider initiatives such as diversity, equity, and inclusion (DEI), giving to the community and sustainability to underpin what your business stands for.

At Gerald Edelman, we recently reviewed our Vision, Mission and Purpose making each statement clear, defined and, most importantly, actionable. Our Purpose, 'We strive to make every interaction a positive one', can be applied to any situation, conversation and interaction, meaning it's something that we know our team can put into practise in their every day. Without this, it would be easy for our Purpose to become a slogan, and not have any substance or connection to our business and what we are trying to achieve.

STEP #5

Retain your best people

It can cost, on average, six to nine months' salary to replace an employee. This takes into consideration training, recruitment time and recruitment fees. You should take proactive steps to retain your talent to maintain a high quality of service and consistency of delivery during periods of economic uncertainty.

As a key driver of retention, you should be looking for ways, beyond salary, to keep your existing employees engaged. Examples of this include:

- **Have a clearly defined Vision and Purpose underpinned by Core Values** that the team can align to and believe in. This will help to create a strong cultural identity.
- **Be agile and able to change quickly to reflect the needs of the market and your employees.** This is more than just about offering hybrid/flexible working arrangements. Consider investing in sustainability, DEI and community initiatives. Not only does this reflect well on a business, it also helps to retain and attract talent by giving the brand a bigger sense of purpose.



“

As a key driver of retention, employers should be looking for ways to keep their existing employees engaged.

- **Quality training and career plans.** By increasing skill levels and cross-training employees means gaps can be filled internally, enabling the business to adapt to changing needs.
- **Work life balance** and promoting mental and physical wellbeing.
- **Transparent communication is essential** in building relationships and ensuring that employees are heard and feel a greater identity. Ongoing feedback and team surveys are a good way to do this and also provide an opportunity to benchmark results and employee sentiment over time. You can learn more about retention strategies in our eBook – [Employee retention: The key challenges and how to solve them.](#)





STEP #6

Source knowledge from mentors



There's a reason why family businesses with multiple generations tend to stand the test of time and stay in business for years on end, despite external pressures and economic instability.

Older generations have the experience and wisdom to deal with times of adversity. They've likely navigated recessionary cycles before, giving them a powerful mindset that is useful when determining the best course of action over a given period of time. It's also

a great advantage to pair this knowledge with the flair, innovation and technical ability that younger generations bring to the table.

Of course, not every business is a family one. In which case, it may be wise to seek out the advice of an experienced business mentor or non-executive director.

STEP #7

Be mindful of pricing



As a general rule of thumb, it's better to place faith in your product or service and charge more for a higher quality service than to try to be too competitive on price alone. If you follow this mindset, it's also easier to raise your prices when you need to account for extra costs and inflationary pressure.

Customers appreciate flexibility too, so it may be a good idea to find ways to reward customer loyalty through flexing offerings for faster payment terms, or volume discounts and fixed fee arrangements. In turn, this creates goodwill, trust and repeat customers.



STEP #8

Invest time in client and customer relationships



Client relationships develop organically over time. Going the extra mile to stay on your clients' radar should never be overlooked. A little goes a long way when it comes to keeping your business in mind, whether it's attending client events, inviting clients to lunches or sending personalised messages and gifts to customers. Not only does this enhance loyalty and ensure clients and customers are less price sensitive, it also provides essential up to date knowledge of their changing needs and penetrates market understanding more deeply.

You may also spot opportunities to convert a client or customer into an ambassador. For example, if your business provides digital marketing services, would any of your clients be prepared to refer your services to their own client base if the right opportunity arose? It pays to put this situation on the table to increase your chance of referrals.

STEP #9

Invest in marketing (in the right way)



Marketing can often be one of the first overheads to be cut when organisations are reducing costs, though it remains an essential element of business during lean times.

The problem with most campaigns is that they lack a clear direction and fail to provide tangible, measurable results. Your KPIs should therefore be clearly outlined

and tracked from the very start of campaigns, so you can gain an insight into performance through data. Whilst promoting your product or service should sit at the forefront of your marketing strategy, you should also be marketing your business as an employer of choice so you stand a better chance of attracting and retaining talented team members.

STEP #10

Reduce your costs



With *cost of sales*, it's worth analysing opportunities to secure more attractive supplier arrangements, or things like early settlement discounts. Often small tweaks in arrangements can lead to tangible cost savings. The key thing here is never to compromise the quality of your product or service for the sake of short-term gain.

Cost cutting needs to be invisible to the customer otherwise brand loyalty will dissipate and not recover once the market improves.

With *cost of overheads*, it's important to keep a close eye on your outgoings and drill down into fine detail on every expense. In the first instance, look for easy trimming across as many overhead lines, changing minor suppliers (e.g. telecoms/cleaning contractors) and eliminating unneeded travel and entertainment which lack defined purpose. Flexibility on renting space helps keep the business agile; allowing more people to work on a remote or hybrid basis, whilst being conscious not to erode the business's corporate identity and office culture.



STEP #11

Improve automation of processes to drive efficient delivery



Implementing automated processes is a good way to become more efficient, improve delivery and ensure quality real-time information. This helps to improve the decision making of the management team and the agility of the business going forward. It's surprising how many aspects of modern work can be streamlined through automation, including admin, customer service, reporting, workforce planning, rostering and much more.

It's not always about growth of sales, but rather growth in profitability. It's also good to have potential time savings for your team in mind if you plan on investing in new technology, as this will allow you to redeploy your team into higher priority areas. Reducing employee time on mundane tasks also helps personal development and keeps the team engaged.

STEP #12

Look for opportunities



Consolidating and clinging on to the status quo may feel like the safe option if demand is holding up; but if demand slips, cash can whittle away quickly. Downturns should be seen as a great opportunity to diversify your offering and create new revenue streams:

1. **Modify your offering:** This can only be achieved if you know your customer base well enough to make alterations to existing products or services. Be ahead of the curve. The competition may not have the foresight or means to adapt or may be following a cost cutting strategy which impacts on quality.
2. **Create new revenue streams:** Downturns often present new opportunities ahead of competitors who

may be fixated on consolidating what they already have. This strategy requires out of the box thinking to identify new offerings which can be delivered with only minor tweaks to the existing infrastructure. An example may be extending a service/product to B2B and allowing white-labelling.

3. **Invest in strategic alliances:** This can be a very cost effective way to grow your business in a downturn. It will enable your business to access your partner's client base, expand your offering to existing clients (and thus enhance loyalty and trust) or merely improve market knowledge. It can also be an effective way to share costs, whilst boosting revenues.

NEED SUPPORT TO STRENGTHEN YOUR BUSINESS?

Get in touch with one of our experts for a free consultation to talk through your situation.

[CONTACT US](#)



Howard Woolf

PARTNER

+44 (0)20 8492 5603

hwoolf@geraldedelman.com






**GERALD
EDELMAN**





Contact Us

 73 Cornhill, London, EC3V 3QQ  +44 (0)20 7299 1400  hello@geraldedelman.com

