

BUSINESS COACH

A regular forum in which the UK's leading business people share their insight.

In this issue: training staff; business blogging; diversifying your business; patenting an invention and strategy.



STAFF TRAINING

Carolyn Anderson, Head of Employment Law Consultancy at NatWest Mentor Services



BLOGGING

Tony MacKenzie, business development director at search engine promotion specialists Web on High



DIVERSIFICATION

Simon Dolan, CEO of SJD Accountancy and primary partner of Jota Sport racing car team



INNOVATION

Dominic List, managing director of IT services business Contact Ltd and patenting expert



STRATEGY

Glenys Berd, managing director and co-founder of online shoe retailer Love Those Shoes

“People are your business’s most valuable resource”

NatWest Mentor’s Carolyn Anderson explains the benefits of good quality staff training and why the short-term expense can turn into a long-term investment in your business...

All too often businesses don’t invest enough in their people. If you train your staff they’ll do the job you want them to do, how you need them to do it. It allows you to focus on your own role knowing that your employees can deliver what you’ve asked for and their performance will have a real effect on your organisation’s success.

It’s a bit like looking after your car: if you don’t keep it in good working order, you can’t guarantee it’s going to perform the way it’s supposed to, when you need it to. By not investing in training, you risk losing efficiency, creating more errors, and even losing quality – which could lead to a loss of custom.

Investment

Training can be one of the things that drops off early when a business is cutting costs. It can seem expensive at the start because it’s an upfront commitment – but actually, although it may be a short-term cost, it’s a long-term investment. You are ensuring that your employees will be able to do their job not just now, but in the future. If you get too busy

and don’t create the time for people to develop new skills, that will impact on performance down the line.

It’s about developing a succession plan. You create opportunities for employees to develop and progress by building their capability to take on more responsibility, and with that, potentially improve their earning capacity.

It acts as a retention tool – if people feel that they’re being developed, they feel confident and valued, and as a result, they’re more likely to stay with the organisation. And that benefits the business owner because if you can grow talent from within, you don’t have to go through expensive recruitment processes, and you get a return on all that training you’ve done over the course of the employment life cycle.

To identify what type of training will benefit your organisation, ask yourself what you want to be doing differently, or what areas might need to be improved. For example, in situations where new roles are being introduced, are there new skills that need to be

acquired? If so, how might you go about developing them?

Making the most of the training is really about identifying the right training solution – so you need to be clear about the outcomes you want to achieve. It’s also very important to evaluate the effectiveness of the training, because while you might have identified the right course, it may not necessarily suit that individual’s learning style.

Returns

Ask yourself whether the training has given you the required changes? If it hasn’t, you have to understand why not. Has the individual been given an opportunity to apply their new skills, for example?

You need to be able to measure the return on your investment. If you’ve paid £500 to train an individual, which has boosted their productivity, allowing them to bring in 25 per cent more income, then you will have easily covered the cost of the training.

At NatWest Mentor, we have public courses, but we also run in-company courses, and our programs are suited to the

needs of businesses. We build a relationship with businesses through our consultants so we can help clients identify the right training and support them as their business is developing and growing.

People are an expensive resource but they are also one of your most valuable resources, and if they’re working well for you then they will help your business perform. Make sure that a regular feature of your business plan is making time to invest in and maintain skills along with developing new skills within your organisation – whatever size you are.

10-SECOND TIPS

TRAIN YOUR STAFF:

- 1. Be clear what difference in performance you want to achieve when the employee goes back to their role**
- 2. Make sure the individual is clear why you’re sending them on training, so that they understand what new skills you want them to develop**
- 3. Evaluate and measure your return on investment, so you can see that the training has actually made a difference**



IMAGE: MARTIN HUNTER

Carolyn Anderson believes that investing in staff will secure your business’s future



market. And to make sure your blog fits that target audience and stands out from the crowd, its layout and graphics are very important. Consider the look and feel. You've got to put the time and effort into the graphics, otherwise you could have the best content in the world, but people won't bother reading it.

Merely creating a blog isn't going to be enough. You should be blogging every two or three days if you can manage it, and once a week at least. The other key thing is how you're going to promote it.

There are many ways to help attract readers to your blog – these include marketing tools such as email, direct mail and public relations campaigns. It also helps to have an existing presence on online communities, internet forums and social networking sites such as Twitter, Facebook and Digg.

A blog is the same as a website really – people spend a lot of time, effort and money creating a website, but if no one is looking at it, then it's a waste of time.

You have to treat the blog as a business and marketing tool. Ask yourself at the start who the target audience is, what sort of individuals you want to attract, what you want to achieve and how you're going to measure it.

10-SECOND TIPS

BETTER BLOGGING:

1. **Plan, prepare, understand. Look at your target market and know what you want to achieve**
2. **Put time and effort into making sure the content is correctly focused and well distributed**
3. **Stay committed and blog regularly**

The whole purpose of blogging is to inform your customers – it's a tool to enhance the communication and culture in your business. A small business can use blogging as a means of marketing.

Blogging is another route to get your message out into the market, to advertise a new service, to allow people to write recommendations and reviews, or comment in real time. It's very much about creating a human element for your company.

I think it's important that you understand what you're trying to achieve and who the audience is before you commit to launching a business blog.

Blogs work best on a social level – if you have a product that is aimed at a consumer market, for example, people are more likely to want to talk about it.

The tone will depend on what you're writing about so, for instance, a formal tone is good when you're letting people know about a new product or service. Always be honest and straightforward with people – your blog has got to be relevant and something that people care about. Don't spout off any old spurious rubbish; think about what your readers want to hear.

Before you put your blog in place, you need to make sure you really understand the target

“Treat your blog as a business and marketing tool”

Tony MacKenzie, business development director at web promotion and development specialists Web on High, explains how to get the most from a business blog

“Consider whether you can sell to somebody else”

Simon Dolan, CEO of SJD Accountancy and primary partner of Jota Sport racing car team, believes it makes sense to diversify to strengthen your business



While you can make an awful lot of money by going into a niche, it's important to recognise that by being niche you are vulnerable. If you've got a niche business and for whatever reason that sector fails, or the Government decides to change something and that niche no longer exists, then suddenly you've got nothing. So it makes sense to diversify.

Do you have a product or service that you can sell to somebody else – something that customers are going to want in sufficient quantities to make you money? If so, an opportunity may come from something you read in the newspaper or by networking, or through researching new markets.

The first thing you should do is see if there are any synergies between existing businesses you may have and the new businesses you are considering – is there an overlap? Are there any customers you might have in your existing business who will want something from the new business? The thing you want to diversify into might be in a completely different sector,

but that doesn't mean your existing customers won't want to buy from that area.

Business owners should only consider diversifying when they've got their existing business on a sure footing. One of the worst things you can do is get your business up and running and then get bored, go and do something new, and neglect your original business.

Any good business takes a long time to build up. It's not something you can do in six months. When a business owner might be ready to diversify depends on the individual owner's goals and aspirations – and how much money they need to live on.

Somebody might want £100,000 a month before they diversify, but someone else might be happy when they get to £2,000 a month. But you have to put in place a mechanism for running your business while giving yourself sufficient time to develop something new.

You have to maintain interest in your new business direction: if you're successful with your original business, you tend to think you'll make loads of money out of any new project you undertake. But you need to realise that it's going to take time to build up. It's important to keep your motivation up.

10-SECOND TIPS

CREATING A NEW BUSINESS:

1. **Always have someone focused on your core business**
2. **Don't expect too much too soon**
3. **It's not easy to set up a new business, but you must stay motivated – even if you don't make much money at the beginning**

“Get your invention from idea to actuality”

Dominic List, managing director of IT company Contact Ltd, has a wealth of experience patenting new technology. Here he explains how to register an invention



Company:
Contact Ltd
Founded: 2005
Staff: 40
Turnover:
£5.5 million
Websites:
contact.co.uk
dominiclist.co.uk

When you have an idea for an invention, it's not always clear what to do to make it a reality. The first step is to do a sanity test on it. We've all got ideas about what invention would be nice for us as individuals, but it doesn't necessarily mean that there is a mass market for it. Take the idea to family, friends and advisers – people you trust not to sell out your idea – and see if they think it's got a valid application.

The next step is to go to the patent office and check that no one has already invented it. Just because your invention is not in the shops, doesn't mean it hasn't been patented yet. More than a million good, patented ideas are sitting waiting for someone to take them to market.

There are a few ways to protect your intellectual property: patents, intellectual property rights, and copyrights. What you need will come down to what you've got. Patents, typically, are for ideas or physical products; copyrights tend to be for things like logos or new designs. You need to decide which category your invention falls into.

You've got to get your invention from idea to actuality. The first step most people go

through – if it's a physical product – is prototyping: building a full working model of the invention. During this process it's very important to document everything you do along the way. This documentation can form part of your patent process and will help if you get to the patent office and someone has presented the same idea as you.

The other thing you need to think about is how you're going to sell your invention. You need to think about that target market. Is the cost of your product something your target market will be able to afford, and what's the life span of the product? Why hasn't your product already been taken to market?

If you haven't got the means to take the product to market yourself, you'll need to take it to other manufacturers, or companies in the field of the product you've designed. Start off with the patent process and then, once you've got that bit of security, you're in a position to take it to potential buyers.

There are a number of useful organisations that may be able to help you: businesslink.gov.uk is good to find out more about the process and both the Business Angels Association (bbaa.org.uk), and National Endowment for Science, Technology and the Arts (nesta.org.uk) can help you research funding.

10-SECOND TIPS

PROFIT FROM INVENTION:

1. Don't put the invention out in the market until all your documentation is ready.
2. Keep a logbook during the patenting process to safeguard your patent.
3. Understand the marketplace and how you're going to present your product.



IMAGE: ROB WHITROW

“Don't stand still. Keep your business moving”

Glenys Berd, managing director and co-founder of online shoe retailer Love Those Shoes, talks about the best business strategies for growth

Company: Love Those Shoes
Founded: 2003
Turnover: £1.8 million
Website: lovethoseshoes.com

At lovethoseshoes.com we specialise in shoes with benefits – shoes with technology built within them to maximise training or help with bad backs, arthritis, or foot and leg conditions. We've been selling adult shoes for a long time, and realised that all these adults with foot problems must have started having difficulties when they were kids. So we launched a new kids' section at the end of 2009 – marketing shoes for children up to the age of about 12 years.

You've got to look at your market strategy – getting that right is probably the best way to

grow. And if you are launching a new product or service, you have to be sure that there's a market actually there.

Sometimes it's simply a matter of educating the market that a product exists. When we first started, we were the first company to bring Masai Barefoot Technology (MBT) trainers – with their innovative rolling technology – to market. There was no market, so we had to create it. We had to go out and let people know that MBTs existed.

It certainly helps to have a unique idea, do something different and stand out from

the crowd. I like to be innovative – to forge new avenues and create new areas within markets, but I'm not saying that's the only approach that works. For example, you could have a business selling something that everybody in the world supplies – except you do it better.

There are two main ways of encouraging growth: either bringing new products to your existing customer base, or finding a brand-new customer base. It's a lot easier to sell to existing customers than to new ones. Keep your existing customers happy and they'll go out and tell other people. But if you are going to start right from the beginning with new products, then grab your existing customers first.

Also let the journalists know what you're doing. Send newsletters out and get your team to talk regularly on Twitter. Entering a new market, or creating a new market, is a risk – but everything's a risk.

Sometimes it's a judgement thing, and sometimes it comes down to gut instinct. Our next step is to make a French website, and then it's Germany... You can't stand still. If you stand still in business you die.

10-SECOND TIPS

EXPANDING BUSINESS:

1. Always review your market strategy and be prepared to adapt your business to take advantage of growth opportunities
2. Do something different and stand out from the crowd
3. If you're going to start right from the beginning with new products, then make sure you grab your existing customers first