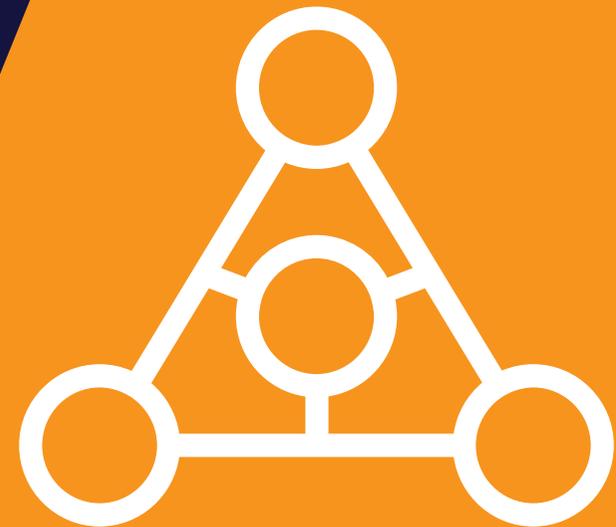




How to stabilise revenue and build a successful business in uncertain times

The coronavirus and lockdown have thrown revenue into chaos for the majority of SMEs. Both supply and demand have been shaken up, and we're still reckoning with the consequences. However, there are plenty of steps that businesses can take to stabilise revenues, adapt to the new market and continue to grow and innovate.



Where are we now?



Running an SME has always been a challenge, but the coronavirus pandemic has made it feel almost impossible. Storefronts and offices have had to close, and countless businesses have had to furlough employees. Revenue has been unpredictable, and many businesses are closer to the red than ever before.

Despite the hardship, SMEs have begun to adapt to remote work, either by working online or making a first foray into the world of online selling. Although it's unclear exactly what the future will look like, we can be confident that we're not going back to "business as usual" any time soon. This means business leaders must decide how to adapt and make difficult decisions on whether to pivot or begin selling internationally.



Who's helping?



John Readman

CEO and founder of Modo25

John has over 25 years' experience in sales and marketing, previously serving at companies such as Summit, Search Labs and QAS, which sold to Experian for £106m.



Ruari Fairbairns

CEO of One Year No Beer

One Year No Beer is a toolkit for surviving modern society alcohol-free and has since recruited over 70,000 members worldwide. Ruari believes that having a community is crucial to making a positive lifestyle change.

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How to stabilise revenue and build a successful business in uncertain times



Chapter 1:

Rethinking your revenue: adapting for an unpredictable economy



When even the near future seems unpredictable, it's important to keep the fundamentals of your business looking healthy. Maximising income and keeping expenditures low provides some margin for error and can protect the business against unforeseen circumstances.

Maximise your income

There are several ways that SMEs can increase income in times of crisis. John suggests charging new customers for things you have ordinarily given away for free, such as initial consultations, or shifting from one-off agreements with clients to an ongoing contract. This ensures that payments are spread more evenly, providing a predictable source of income for the business, and increases your odds of keeping the client in the long term. Consider ways to increase your network, such as encouraging referrals – a small discount for a customer referring a friend is a small price to pay for a new customer.

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Diagnosing revenue issues

If your business is facing revenue issues, you're not alone. The coronavirus and the lockdown have caused major disruption, but as things begin to settle down it's important to identify which issues are purely the product of external factors, and which you have some control over. Ruari advises you to listen to the pain points. "If everything is screaming at you right now, focus on one part and systematically move through it."



Begin with a thorough segmentation and breakdown of your revenue:



Where is it coming from and where is it going?



Are there costs that you could easily cut?



What has changed since the beginning of the year?



Where in the sales funnel could issues be arising?

Coronavirus decisions: stick with them or move on?

Your business has likely already made several significant changes, such as working from home or shifting sales online to adapt to the lockdown. The first decision you face is whether to keep these new features to the business or return to the pre-coronavirus status quo.

According to John, it all depends on how the customer reacted and if they support your changes. "If you are maintaining customer loyalty and winning new customers after you have made the changes, then why not keep them?" Ruari concurs: "If you changed your brewery to hand sanitiser, maybe not. But if you turned your gym into online subscription then, yes."

Chapter 2:

Finding opportunity for change in a crisis: is there still time to pivot?



There are advantages and disadvantages to being the first mover when the future is uncertain, but pivoting is always an option. As John puts it: “It’s never too late, you can pivot at any time – and you don’t have to wait for a global pandemic!” Choosing whether to pivot is a challenging decision at the best of times, and even harder when things are up in the air. Here are some things to consider.

New sales models

John encourages business decision-makers to consider new sales models. If you are B2B, can you widen your sales net with partners? If you are a manufacturer, it’s worth asking whether you can set up a website to go direct to the consumer, he advises. “Who would have thought Heinz would sell beans direct to consumers online – they do now.”

Ruari recommends considering a subscription sales model “Subscription

revenue provides predictable cash flow so making the pivot from one-off sales, or bundling products to offer customers a reason to want to be with you month after month, is well worth the time and investment. Not only is gross profit from retained customers stratospherically greater than retail margin, but your subscription revenue will create sustainability in your business. Imagine having all of your baseline costs covered each month before you even start trading.”



Long-term stability

The goal of any pivot should be to find a more profitable plan in the long term, but in a chaotic time like this stability is also a major concern. John says: “If you have a service or product that is relevant irrespective of the current circumstance, then I believe you will maintain stability. If not, you will need to think about how to change or pivot to be more relevant in the changing world. Additionally, you can look at your terms of ongoing business. Can you tie people into a recurring contract over a period of months? Or can you get them to pay by monthly direct debit or even upfront?”

Diversification

John and Ruari both said that “it’s never too late” to make a change to diversify the business, even amid the tumult of coronavirus. Ruari adds that business is all about creating resilience. “Risk should be calculated and when you look at projects within your business you should treat it like a diversified risk scale.” He also makes the case for consistency in branding. “In terms of new channels, the key is uniformity and consistency of communications. Consistent messaging can make all things link together as a unified brand.”

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Risk breakdown

Ruari advocates breaking down the business into different categories of risk.

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10%

of your effort should be very high risk. This is the stuff that could blow your business up but presents exciting opportunities. These are the hinges for a big pivot and the bits where you are going all out.

60%

should be about building the foundations of your business, focusing on process, procedure, and optimisation. It's about building those walls and making your business stronger and more efficient.

30%

should be medium risk, improving product tweaks and making changes to existing products, to continually improve your line-up.

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The future is still looking incredibly uncertain, with a potential return of coronavirus in the winter, so focus on preserving this cash and building up some reserves.

Chapter 3: Marketing online



Selling online requires a new set of skills, and online sales are at least a component of their future for most businesses. Meanwhile, businesses need to contend with customers that are anxious about the economy and may be less willing to part with their money. It's time to learn the tips and tricks to selling online.

It's a team effort

The first step to succeeding with any marketing effort is to get the team on board, and this is especially important for online marketing. Begin by communicating the reasons – including, but not limited to the coronavirus – that you are pursuing the strategy. As Ruari puts it: “Your whole company should know how to do digital marketing, as it's fast becoming a universal skill requirement.” Once the whole team knows the nature of the project, they can help to brainstorm new approaches and generate content for your marketing efforts.

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Learn online, sell online

If you're looking to brush up on online sales, there are countless resources on the internet – many of them free. For absolute beginners, [Google Digital Garage](#) has dozens of free courses on moving your business online, maximising its visibility, and making sales. Ruari recommends subscribing to [Digital Marketer](#) for more advanced advice. In any case, he advises you take the course yourself, since it will make it easier for you to work out how you want employees to be trained, where you want to get the training from, and what is good and who isn't.



Using social media

With most of us spending more time online, social media is the new high street. An engaging social media presence can really differentiate a brand and make it an integral part of the community. John says: “The main thing here is to actually refresh and review all of your marketing content to ensure that it's fit for purpose and to be used for social selling.” Don't just copy your existing marketing materials over, design something specific for social channels.



Online marketing checklist:

- Take online courses to learn the ropes
- Note how competitors and big brands market online
- Review metrics to see which existing activities are succeeding
- Create or refresh your company's social media presence
- Launch a new marketing push designed specifically for an online market
- Review your metrics to see whether your marketing efforts are reaching customers

Chapter 4:

Should I sell internationally?



While many of us are limiting our overseas holidays because of coronavirus, selling internationally is still an exciting option. It's a great way to grow sales, and once you get beyond the initial setup it doesn't require much extra effort.

Selling internationally isn't for every business. John notes that a great source of inspiration is to see what your competitors are doing and just do it better or at a reduced cost – or both. “It's worth having a look at which countries have a good exchange rate, which can work in your favour and use that as a competitive advantage.”

However, exchange rates are prone to fluctuations. You need to ensure that your payment processor isn't taking too much off the top and you still need to pay for shipping, so it's worth digging a little deeper. Do some research using Google Ads to gauge the demand in overseas markets, and use a VPN to browse the web as if you were in the country to review the competition.

Ruari says that it's important to be secure locally before moving abroad. He adds: “The key is to use partners that you can trust and who will help you to establish yourself in that new market.” He also notes that it's far easier to sell digital products internationally since you don't have to consider shipping.

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A great source of inspiration is to see what your competitors are doing and just do it better or reduced cost



Before pursuing international sales, ask yourself:



Is there demand for your products abroad?



Are your competitors exporting?



What would the local competition be like for your products in international markets?



Is coronavirus a risk? What other risks are there?



Can your business survive if you don't succeed at international sales?

If you've decided to go ahead, you need to consider:



Finding a reputable export company



Insuring your products for shipping



The payment structure for exporting your products



Whether to work with a local company or go it alone



Exchange rates and bank accounts



Licensing – certain goods require additional permits to sell internationally

What about Brexit?

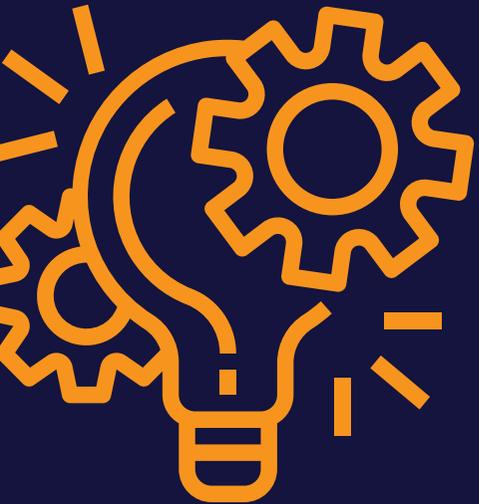
Brexit will have an impact on international sales. Review [government guidance on gov.uk](https://www.gov.uk/government/guidance) for the latest information. Regardless of Brexit, products sold in Europe will need to meet EU regulations. You will also need to pay VAT and customs duties, which can eat into your profit margins.

Where can I go to learn more?

John says: “There is a lot of government help on this subject, so check online and see what support and guidance is available on gov.uk.” Check out the government’s [guide for beginners](#) to selling internationally.



Chapter 5: Inspiring innovation



SMEs are generally far nimbler and better suited to innovation than larger organisations. While the near future may be uncertain, it's clear that the recovery will be led by innovative companies that can rapidly adapt to new circumstances.

How can I make innovation part of my company's culture?

According to John, the key is to be open to trying new things, say yes more, ask for everyone's ideas and inputs, and try new ideas from new members of the team – even if you are not sure. “Trust people's judgement and empower them to implement the ideas. Recognise the success publicly with the wider team – so more people will be encouraged to bring more new ideas to the table in the future.” Ruari agrees: “On our daily calls, we highlight all of our personal and professional innovation. This communication over time will instil a company-wide culture of innovation.”

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Recognise the success publicly with the wider team – so more people will be encouraged to bring more new ideas to the table in the future



How can I keep innovating when things feel so risky, and cash is so tight?

“No risk, no reward,” as they say. However, it doesn’t all have to be a gamble, adds Ruari: “Stay lean. The magic of today and the internet means testing a minimum viable product (MVP) can be done with almost pocket change. If you are spending a lot of money on it, it’s not minimum viable product. A landing page can be built in minutes, then you can set up traffic to a page with a cart to a specific audience. If this starts to convert to sales, then you are on to a winning idea.”

John concurs: “It’s worth addressing what you can provide to your clients that has a low cost but huge value. You may not realise the value you have in your knowledge or expertise – are you giving away value for free that you could be charging for?”

Continuous innovation

Innovating isn’t a one-and-done event; it’s an ongoing process that needs to be a part of the company culture. Here are some tips for bringing innovation into your workplace:

- Schedule regular brainstorming sessions. There are no bad ideas
- Consider ways to make small improvements to regular processes – they add up
- Get the team involved – everyone brings something to the table
- Attend workshops, talk to other SMEs, and take courses
- Ask employees to reach out to you with ideas, no matter how small
- Make trend watching a part of your routine



Stay lean. The magic of today and the internet means testing a minimum viable product (MVP) can be done with almost pocket change.

Building a post-coronavirus business



You built up a successful business before coronavirus and you can do it again now.

It's time to revisit the decisions you made early on during the shutdown and decide what is right for your business as society begins to reopen and recover. Leading a business is all about making choices, and there are exciting new opportunities awaiting SMEs that survive the lockdown.

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Do what's right for your business and you'll be back on the path to success in no time.



About Be the Business



Be the Business is a small, not-for-profit organisation dedicated to boosting productivity among UK businesses.

We're doing it by helping leaders of small to mid-sized firms do what you do best: improve, innovate and inspire.

In response to the coronavirus outbreak, we created Rebuild. It provides free expert advice on recovery tactics, stories from your peers and access to like-minded people to bounce your ideas off.

Business leaders told us they need practical support in six priority areas – so that's what we've done. In each topic section on Rebuild you'll get a range of articles, videos, guides (like the one you've just read) and other accessible support. Start with the topic that meets your company's challenges and remember, it's the small steady steps that are going to count.

Subscribe to our fortnightly Rebuild newsletter and you'll be sure to get all our content first, including more guides like this one.

bethebusiness.com/rebuild-your-business/sign-up/

