



# PLÉSONA

## BUSINESS ADVISORS

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### Christmas Preparations

Christmas is coming and the goose is getting fat. Well, we hope so. The festive season is the key to success for many small businesses in retail or who supply goods to retailers. It will be the culmination of all the efforts made on many fronts over the course of the year. But it will also expose any errors you have made and it will probably be too late to reverse many bad decisions made much earlier in the year. The first issue for many stockists is to understand how much they think they will sell during the season. Those supplies will likely have arrived by the time you read this newsletter. This year has seen a number of problems with container imports from Asia, as shipping lines have slashed capacity, Brexit has complicated our supply chains and empty containers are proving to be a logistics bottleneck in many European ports. There have been several businesses that are still waiting to receive Christmas stock as a result of these problems and if it's not on the shelf it cannot be sold. If these deliveries end up being late, the only alternative will be to sell at discounted prices in January simply to recoup the cash outlay on stock. The other big change in 2020 has been consumer digitisation. We have seen a huge rise in demand for online shopping and more and more smaller retailers are getting in on the act. Be it the retailer offering a "click and collect" service or the restaurant offering a takeaway service, if you have not engaged in the digital revolution you are going to miss a lot of sales. It also means that retailers need to have the means to make the consumer aware of what they sell by digital means since many will not be able or want to browse around the store as in previous years. For many high street retailers, this means that they can potentially offer their wares to a catchment area that is not confined to local footfall. This presents a great opportunity to more innovative businesses that have a digital offering and know-how to market that platform. The final major change in 2020 is how we can market our businesses. Internet advertising can be a very hit and miss affair for local businesses and newspaper and radio advertising can be expensive and imprecise, depending on exactly who you are trying to target. Thankfully businesses have been experimenting with virtual seminars where there is an opportunity for sellers to display their wares and for customers to ask all the questions that they would normally ask if they were in the store. This used to be a very expensive medium, but with the advent of Zoom, Teams, and Google this has become very simple and cheap. So may you have a very prosperous festive season reaping the rewards of all the year's work.



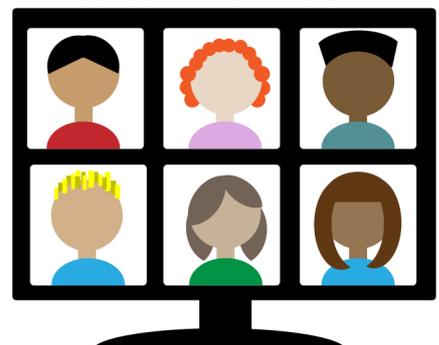


## What is the right price?

There is an old joke in selling that if the customer accepts your first price, that you hadn't charged them enough. A real problem for many businesses is understanding the right price to charge their customers. At one end of the spectrum, you need to charge enough that the business can sustain itself. At the other end of the spectrum, you need to charge enough so that you can make a sufficient profit. So what can you do to understand the right price to charge? The first step is to use your business plan to assess what the minimum price needs to be so that the business can create a sustained return. Many skip this step and then end up with an unprofitable business that is bound to fold at some point. If you sell goods, it is possible to research the internet to see what prices are charged for similar goods. Services are more difficult. It is less likely that your competitors advertise their rates to the general public, so you may need to do some research. Having real market knowledge about pricing is important, but it is still important to do your homework. Prices do change and the opposition's business models can change too. The old fashioned method, which still works, is to get a price quote for something very similar to your offering. This will tell you whether you are in the right ball-park. The biggest mistake can be believing that your are offering a premium product or service when then the customer does not agree. In summary, do your research and be realistic.

## Virtual Events

Many small businesses use conferences and expo events as a means of selling their wares and generating relationships. The face to face versions of these events have been heavily impacted by COVID as organisers have been forced to convert these events into virtual affairs. Quite frankly, that has been very bad for business. Most event organisers have turned these events into passive occasions where it is almost impossible to strike up those ad-hoc conversations that often happen at networking breaks and lunches where many lasting business relationships begin. It has been better for those who are prepared to pay extra to have a virtual stand since this will be a draw for those who are looking for a particular product or service. The biggest limitation for sellers of products is that they cannot let their prospects handle the merchandise and feel the quality of the product, but many would admit that it is still better than not meeting customers at all. Some event organisers have shown some really positive innovation by organising speed meetings where attendees are grouped together for short periods to make sure that as many introductions are made as possible. With Covid set to be with us for many more months, it is best to try to adapt to these new formats so that your sales process can move forward.



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