



PLÉSONA

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Managing Sales Growth

Every business wants to grow sales, but growing sales can be fraught with problems. The first big problem when a business grows is quality. New business may mean taking on new staff and resources. Training up new hires takes time. In the short run, these newer people are unlikely to be able to produce the goods or deliver the service at top quality. With new staff, it is important to monitor their progress carefully, offer help and guidance when required and to be ruthless in weeding out poor performers. Some new hires will never meet the required standard, so once you know that will be the case it is best to part ways and find a replacement. Otherwise, poor performance will become a long term drag on your business. It may also be that you are using suppliers that are unable to ramp up their capacity and maintain the quality that has been delivered in the past. If you are going to be relying on supplier performance, it is worth examining their operations carefully so that you can make your own assessment of their capabilities rather than relying on well-meaning promises. If that low quality is passed on to your new customer then that can mean a whole lot of trouble that could result in lost contracts and revenue. The second issue is around setting expectations. Many businesses give excessively optimistic lead times to their customers. When the lead time is failed, the customer will undoubtedly complain. For B2C businesses this may mean poor ratings and online reviews. So it is better to under promise and over deliver. Extend your lead to a point that can be delivered more easily. It may happen that you delivered in exactly the same timescale, but you will not have failed the customer expectation. Lastly and most importantly, it is vital to have a handle on cash flows during periods of growth. You will likely need additional funding to fund these new revenues to pay for additional stock and increased overheads until the new business converts to cash once the ultimate customer has paid. There are several things you can do to manage the problem. Speak to your bank about temporarily extending your overdraft. Speak to your suppliers about extending payment terms so you don't have to pay them as quickly. Speak to your customer about the payment terms that they expect so that you don't have to wait too long for payment. And for exporters remember to factor in extended shipping times where you may need to fund inventory all the way to the point of delivery. Sales growth is exciting and represents a great achievement for the business, but be careful that you don't become the victim of your success.





Market Research

One of the biggest failings of many smaller businesses is not understanding their market position. For example, we recently spoke to someone who was about to sign a lease for a premises to start a coffee shop. Our first question was about the specific location. How many coffee shops were nearby? Are there any major offices in the area? Is there a secondary school within walking distance? Is the location near a major road junction or railway station? What are the demographics of the catchment area? All these questions will help to decide if the location is right. But it will also help to answer questions such as how should I decorate my premises, what my menu should look like and so on, depending on the audience you are trying to attract. In turn that will influence how I advertise my business. Should it be on the internet or in the local newspaper or sponsor the local sports club? It is also necessary to check out the competition. What is their appeal to their customers? How do I differentiate from them or do better than them? How should I price my products and does that mean I can source the materials or ingredients that I really want? So there is no point in buying premium coffee beans if you are selling the cheapest espresso in town. But many smaller businesses never ask these questions and make these decisions based on gut feel. Some are lucky and will strike gold at the first attempt. But many more will need to make costly adjustments at a later point or the business will fail. A stitch in time saves



Social Media Management

We are very lucky that there are so many social media applications out there for us to use in business and most of them are free to use. But what is the best way to use them? Some post often and others seem to have no social media presence at all. The first golden rule is to post on the platform or platforms that your potential customers use. That can be different by country or age group if you are trying to attract business customers or end consumers. The second rule is about posting something appropriate. That could be a video, a document, a cartoon. The list goes on. But will the content attract your likely customers? So would you post a 20-page wordy document to sell a box of chocolates? Probably not. It may be more appropriate to have a short video showing the product in a complementary way. Be careful that if you re-post other people's posts, that it is something that aligns with your business, rather than something you simply like on a personal level. That can confuse people when they are trying to understand what you do. Social media posts have a very short shelf life, often less than 36 hours. That doesn't mean that you should be posting all the time. Many people get tired of those who post too often and then block them. It's all about quality, not quantity.



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