



Improving Business Newsletter #1

A free resource produced by [Farrington Business Solutions](#)

Global Recession or Local Opportunity

It is expected that up to 35,000 businesses could go bust in the UK this year. But last year more than 400,000 new businesses were started. Many of these were sole trader or partnership businesses, or small limited companies being started by people who had been made redundant and wanted to make the most of the opportunity that comes with being forced to make life choices. It is bad news when a major High Street chain such as Woolworths goes under, and there can be few town centres which don't have some empty shops. But many of the chains which have been forced into administration have struggled for years to find a clear business model which distinguished them from their competitors. When a High Street contains 5 or 6 shoe shops, and every other shop is selling mobile phones, then something has to give when customers start to tighten their belts.

In a downturn many small and medium businesses have an advantage over their larger rivals. People are not simply looking for the cheapest product, but the one which provides most value. A small hotel or guest house need not be the cheapest if it provides much more quality for a little more cost. An independent retail business that becomes part of the local community in some way will weather the storms of recession better than a national chain that has a single offering which customers are invited to take or leave.

This is the time to look for local opportunities. What can you do that a national chain cannot? Don't compete where national chains do things best, but look for what will genuinely add value to your customers, and where your competitors are unable to be flexible.

Practical Exercise

In this newsletter we would like to recommend the **Customer Experience**. In this exercise you need to recruit a friend to visit or contact your business and go through your sales experience without you being aware that they are reviewing how your business works. If you have only a small staff, and it would be impossible for you not to see all of your customers, then get a friend to recruit someone that you don't know to visit your business.

It is best if your critical friend has an idea of what you are trying to understand. Even if it is just the general customer experience then you should still provide them with enough information to be able to usefully make the most of their visit. Perhaps you could suggest that they decide the role they want to play beforehand – maybe they could be looking for a present for a relative – and how much money they have to spend etc. They should think about the character they are playing just enough for them to be able to fool your business into thinking that they are genuine.

Afterwards you should meet with them – pay them back any money they have spent! Then work through a list of well considered questions which will help you see how real customers experience your business. In a retail environment these could be as simple as 'did you have to wait too long to be served?'

Business News

CBI says businesses are more upbeat about credit situation

A single green shoot doesn't mean that Spring has arrived, but it looks as though there are fewer businesses being declined new and continuing credit in March compared to the previous few months. Of course plenty

of businesses are still facing credit problems, but it does look as though the severity of credit problems is easing a little.

Government proposes new employee training support

It may not be the answer to every problem, but the Government is creating a new programme to help businesses find the best local sources and funding for training staff to make the most of the upturn when it comes. The programme is an information service, which puts businesses in touch with local brokers who will be able to direct them to local training providers, and hopefully show them how to receive funding. The programme is called [Train to Gain](#) and has its own [website](#).

Visit England hopes for five million more UK holidays

The national tourist organisation, Visit England, is predicting that in 2009 five million more of us will choose to have a holiday at home rather than bear the extra cost of a holiday abroad. This suggests that UK businesses should be planning to make the most of these extra holidaymakers. Many hotels are already offering special deals, but there is no reason why retail businesses should not find ways to market themselves imaginatively and make sure that they benefit.

Fact and Figures

Over 65% of households in the UK have internet access.

86% of households online in the UK have a broadband connection to the internet.

A majority of people in the UK, of all ages and both male and female, use the internet every day.

Nearly 20% of all retail trading is conducted online in the UK, over £26 billion of business.

Internet users feel less confident using commercial websites that do not have a modern, professional design.

Useful Links

Professional Business website design – [Farrington Business Solutions](#)

Small Business Support – [Federation of Small Businesses](#)

Employee Training Programme – [Train to Gain](#)

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