

Beware the slippery slope

BY

GERALD IRWIN, FINANCIAL DYNAMICS

Nobody ever said that running a business is easy. So much to do, so little time! It can be difficult, therefore, to stand back and get some perspective on whether you are on the right track or whether you are on that slippery slope to oblivion. There is so much that can go wrong that questions need asking and answering on a regular basis.

For example, is your business dependent on one major customer? Well if most of your income comes from one client it is time to reduce your dependence on them. Winning new customers can be expensive both in terms of time and money. Even if you do not spend large sums on marketing, there is always the time that has gone into securing any new deal to consider. If new customers easily slip through your fingers by not staying with you for long enough to make a profit then you are simply throwing good money after bad and perhaps you should look at how well you are servicing their needs.

Do you know how much your business is earning on an hourly basis? Understanding what your team is doing with their time is absolutely essential to maintaining profitability. This is where some analysis is called for to ensure the right decisions are made regarding job allocation and outsourcing is concerned.

For many small businesses marketing is only undertaken when the time can be found. It is all very well getting your head down delivering on customers or clients but what happens when you hit a dry patch? If you find yourself staring down at an empty order book then you need to work on finding a strategy that will deliver a new set of marketing techniques.

Should you suddenly experience a spike in staff sickness then you can bet your bottom dollar something is not quite right. They could be bored, working too hard or just sitting around waiting for the next project to come along. Either way, it is time to ask some pretty pertinent questions about just how your business is running.

By recognising some of the warning signs will enable you to do something about them. If some look rather familiar it does not mean you are on that slippery slope to failure it means that you have the power to change things for the better thus ensuring your business has a future. If you think your business needs a health check then get in touch with us.