



Business insights

October 2010

Planning tips for SMEs

When thinking of strategic ways to develop your enterprise, business plans can seem like an administrative blockage to business inspiration. However, with great ideas comes great responsibility and getting everything down into a working document might just be the key to the growth of your enterprise.

Many entrepreneurs have reasonable knowledge of what their business, how it is constructed, how it works and what the strategy is but never actually formalise it.

At best, this can lead to inefficiency, anxiety and errors. At worst, many business owners often lose direction completely, find themselves unprepared for major economic changes (such as the unexpected need to raise capital) and even lose the financial support of their bank.

Providing a solid structure

A business plan is the most straightforward way to give your company a solid structure to work from. Even a basic one will focus your mind on what you want to achieve, shape the overall direction of your business and provide a starting point for reaching specific objectives. The further in-depth you go, however, the better the results.

Considering risk

Giving outsiders a clear insight into your business is also essential in order to gain finance, get new customers and suppliers, and enter into new markets. This is because banks and other third parties who support your business are constantly looking at risk. The more they understand about the company, how it works, who the key players are, what the market is like, where the business derives competitive advantage, the more likely they are to offer their backing.

Meaning business

Individual reports on their own, such as accounts, cannot provide this information to third parties. This is where a business plan is absolutely essential. It will do much to reassure your supporters, such as your bank, investors, suppliers and even your customers, that you really do mean business.



Prepaid boosts business

As the UK economy begins a slow climb back to growth, many businesses will be keeping a close eye on spending and will continue to look for the efficiencies that will help them return to and maintain profits. Many businesses are also however realising the marketing and customer retention benefits prepaid cards can bring and want to be part of a sector with huge potential.

Prepaid cards offer a range of benefits to businesses. They can help improve efficiency in internal financial processes such as payroll, cash management and reward schemes. They are also developing into an important marketing tool however, providing important linkages between brand-building, customer data capture and increasing sales online.

Prepaid is also helping businesses to limit their financial risks by giving them far greater control over their employees' expenses. Rather than giving out corporate credit or debit cards, prepaid cards allow businesses to control when, where and, most importantly, how much their employees spend.

Many employees say that they prefer receiving prepaid cards rather than traditional flower and champagne gifts as rewards for hard work. The future for prepaid cards is bright, it is the smart business that becomes an early adopter and can be part of developing this exciting technology.

