Business E-News-England

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Welcome to our round up of the latest business news for our clients.

Quality always rises to the top!

Recently we have seen increasing interest rates, the largest monthly house price fall for nearly 14 years by 3.4%, and businesses and individuals paying the highest tax burden since the 1960's.

Times are likely to remain challenging for many businesses, however history shows us that when things are difficult, genuine quality always rises to the surface.

So, what do businesses have to do to ensure that they succeed in the present economic environment?

The changing nature of the economy presents a whole series of questions for any business:

- What finance will it need, short term and to invest?
- What are the challenges of entering and maintaining exporting and/or new markets?
- How does it develop new and innovative income streams?
- How can it manage its workforce through the peaks and troughs of activity?

There is no 'one size fit all' answer to these questions. Different businesses will have different requirements and here are some learnings from quality businesses that are successful:

Put customers first:

For the next few years, arguably more than ever, companies need to understand their customers to respond to their needs and the pressures they are facing.

Household income has been squeezed; some experts predict it will continue to be the case until 2024.

For most consumer-facing businesses, that means offering value for the customer.

The key here is to invest time in understanding your customer spending patterns and their needs.

Take some time out to research these needs, look at how you satisfy these currently and what you could do to improve your offering. Think of ways you can change the delivery of your product or service.

These could be simple things like

- ***discussing your offering with the customer before providing it***,
- ***letting them know how things are progressing,***
- or, ***calling them up to make sure everything went OK after delivery.***

Constant communication with your customers before, during and after the sale is a key factor for successful business in tough times.

Ask yourself what you could do to improve this in your business.

Take time to seek out new revenue streams.

Consider rebranding some of your offerings and selling them abroad or online.

What new income streams are available to you?

How can you take advantage of them?

Control your costs:

Keeping the cash coming into a business is fundamental, but so is controlling the rate at which the cash flows out.

Take time to think about your costs and what you could do to improve the way you manage your business.

Regular review of targets to actual costs monthly is key to good control of your business.

Look at the way you do things.

Are there alternatives?

Consider alternative suppliers, alternative payment schedules, better use of electronic point of sale, stock management and quality control.

Sit down with us and discuss your strategy for controlling costs and the management of these. Brainstorm how you can do things more quickly and more efficiently and formulate a strategy for the next year.

Manage your employees:

One of the biggest costs for firms is the cost of employment.

Taking on new staff is expensive; it's equivalent to fresh investment in the business.

Many successful businesses are reviewing the value they get from their employees and are taking time to discuss how they can be more customer focused and efficient in their roles.

Look at alternatives to salary rises and consider the use of performance-related pay and a bonus structure that rewards both good service to customers and increases in sales.

Get all employees involved in how the business can improve and do this regularly.

The Blueprint for success?

There is no single answer but there are a few general principles.

Be flexible, but also be alert to the dangers.

Successful businesses of the future will be fast on their feet but also aware of the risks.

They will be lean and efficient.

They will be the ones who spot and take advantage of the opportunities that are there.

As tough as the economic outlook appears for the remainder of 2023, there will still be plenty of opportunities.

Protect yourself and your business from investment scams

A scam is a fraudulent scheme or operation designed to hoax people out of their cash, property, or personal information.

Scams can take many forms, but they all share one ultimate goal: to take advantage of people's trust to part them from their money.

With the internet providing anonymity as well as opportunity, the scope for scams has increased – and a particularly rich area for scammers with eyes on your money is investment.

You want to grow your money by investing it – scammers know ways to convince you to invest it with them.

Scammers are very good at what they do. The difference between a sound investment proposal and a scam designed to whisk your money away so it is never seen again can be hard to tell until it is too late.

Scams can be difficult to spot.

Fraudsters can be convincing and knowledgeable, with websites and materials that look identical to the real thing.

If you've been contacted unexpectedly, or are suspicious about a call or text message, make sure you stop and check the warnings signs.

- Is it unexpected? Scammers often call out of the blue. They may also try and contact you via email, text, post, social media, or even in person.
- Do you feel pressured to act quickly? Scammers might offer you a bonus or discount if you invest quickly, or they may say the opportunity is only available for a short time.
- Does the offer sound too good to be true? Fraudsters often promise tempting rewards, such as high returns on an investment.
- Is the offer exclusively for you? Scammers might claim that you've been specially chosen for an investment opportunity, and it should be kept a secret.
- Are they trying to flatter you? Scammers often try to build a friendship with you to put you at ease.
- Are you feeling worried or excited? Fraudsters may try to influence your emotions to get you to act.
- Are they speaking with authority? Scammers might claim that they're authorised and often appear knowledgeable about financial products.

If you answered 'yes' to any of these questions, or you're unsure if a contact is genuine, follow the steps below to protect yourself.

How to protect yourself from an investment scam

Check that the firm is authorised by the Financial Conduct Authority (FCA). You can do this by using the register on the FCA website: Home (fca.org.uk)

Then check that it isn't a cloned company.

The firm may be genuine – but the fraudster may be spoofing their connection with it.

Make sure you use the contact details taken from the FCA's register: Do not use the details given to you by the company, or by the person who contacted you.

Finally:

- Never give out your bank account or credit card details unless you're certain who you're dealing with.
- Never share your passwords with anyone (including your social media passwords).
- Do not give access to your device by downloading software or an app from a source you don't trust. Scammers may be able to take control of your device and access your bank account.

See: Protect yourself from scams | FCA

The digital pound consultation

HM Treasury and the Bank of England are consulting on a potential ***digital pound, or central bank digital currency (CBDC).***

The consultation paper sets out analysis by HM Treasury and the Bank of England on the potential case for a UK central bank digital currency – a "digital pound" - and consult on the key features of a potential model.

A digital pound would be a new form of digital money for use by households and businesses for their everyday payments needs.

As part of the wider landscape of money and payments it would sit alongside, not replace, cash – a digital counterpart to familiar, trusted banknotes and coins, subject to rigorous standards of privacy and data protection.

This is in line with the ambition that public trust in money remains high, and that modern forms of money and payments meet the evolving needs of individuals and businesses.

Unlike crypto assets and stable coins, the digital pound would be a central bank digital currency or CBDC - sterling currency issued by the Bank of England and not the private sector.

Although it is too early to commit to build the infrastructure for a digital pound, the Bank of England and the Government are convinced that further preparatory work is justified to appropriately respond to the emergence of new technologies, international developments, and fresh opportunities.

In the four-month consultation period, officials in HM Treasury and the Bank of England will engage extensively across the UK to seek views on a potential digital pound. Responses to the consultation are invited from all interested members of the public, experts, and the widest range of organisations.

The deadline for responses has been extended to 11:59pm on Friday 30 June 2023.

See: The digital pound: A new form of money for households and businesses? - GOV.UK (www.gov.uk)

Consultation on SAYE and SIP Employee share schemes

In a call for evidence launched recently, the UK government wants to hear views on ***Save As You Earn (SAYE)*** and the ***Share Incentive Plan (SIP)***, as it seeks to improve the schemes and expand their use by making it easier for businesses to set them up and offer them out to staff.

The government is considering more simplified schemes to support business growth. The changes also aim to boost participation among low earners.

This comes as a HMRC evaluation report shows that 81% of businesses say these schemes help boost their business, with almost three quarters of these saying it has helped them retain and recruit staff.

31% of businesses which do not use these schemes say they are too complicated to set up.

The call for evidence comes after venture capital firm Index Ventures praised government reforms to a separate scheme, the ***Company Share Option Plan***, placing the UK as joint top among G7 countries in share option policy.

These reforms saw a doubling of the amount of share options employees can be granted and removed restrictions on which kind of shares could be included. Index said the moves the government took were "helping scale ups attract and retain the talent they need".

The government is looking to replicate this success through similar reforms for SAYE and SIP and is particularly interested in understanding whether the schemes are attractive to lower income earners.

See: [Employee share scheme shake up to help boost growth - GOV.UK (www.gov.uk)]

Menopause standard launched to help organisations support experienced workers

New guidance designed to help organisations support employees experiencing menopause or menstruation and better enable them to retain experienced and talented people of all ages has been published by British Standards Institute (BSI).

BSI, the UK National Standards Body, has published the menstruation, menstrual health, and menopause in the workplace standard (BS 30416), following consultation with experts and the public.

It sets out practical recommendations for workplace adjustments, as well as strategies to sit alongside existing well-being initiatives, to help organisations meet the needs of employees experiencing menopause or menstruation.

The guidance is designed to enable organisations to prioritize the needs of colleagues and to tackle the potential loss of skilled workers, who may be at their career peak.

It follows Fawcett Society research suggesting an estimated 10% of women experiencing menopause have left the workforce due to their symptoms, which can range from hot flushes to dizziness, insomnia, muscle and joint stiffness, going up to 25% for those with more severe symptoms.

Global menopause productivity losses are estimated to already top $150 billion a year.

BSI gathered a panel of experts to develop the standard, recognizing that this situation is set to grow as greater numbers of women stay in the workforce for longer.

Estimates suggest that by 2025, there could be more than 1 billion people experiencing menopause globally - 12% of the world population.

BS 30416 has been developed to help organisations identify misconceptions around menstruation and peri/menopause and the impact a taboo surrounding them can have on workplace support.

The standard aims to provide examples of good practices for employers, including policy guidance, work design, workplace culture, and physical aspects of work. Steps to consider include:

1. Considering the workplace culture to determine whether there is a general awareness of menstruation and menopause and whether employees are given opportunities for open conversations or to request support.
2. Looking at whether line managers and HR managers are suitably trained or receive suitable resources to understand the potential impact of menstruation and menopause.
3. Reviewing if the workplace environment is properly controlled and if there are facilities such as toilets or discrete changing rooms, or quiet recovery spaces that are easily accessible.
4. Checking whether the relevant policies (well-being, D&I, performance management, sickness and absences, flexible working, etc.) consider menstruation and menopause.
5. Looking at whether work designs enable some flexibility for an individual approach. Aspects could include scheduling, timings of breaks, comfort adjustments such as access to individual cooling or heating, and opportunities for sitting or stretching.

The guidance is designed to be flexible, acknowledging that experiences of menstruation and menopause vary significantly and not everyone will want support from their employers.

See: [Menopause standard launched to help organizations support workers | BSI (bsigroup.com)]

The "Investing in Women Code" is closing the finance gap

The Government has published the third annual ***Investing in Women Code report***.

The Investing in Women Code is a commitment to supporting the advancement of female entrepreneurship in the United Kingdom by improving female entrepreneurs' access to tools, resources and finance from the financial services sector.

Key findings in the review showed:

- A higher percentage of venture capital deals made by Investing in Women Code (IWC) signatories feature at least one female founder as compared to the wider market.
- This is the third year in a row that IWC signatories have outperformed the venture capital market.
- More diverse investment committees are key for bridging the investment gap.
- With 204 signatories, the IWC now covers a significant proportion of the SME lending market and accounts for 39% of UK venture and growth equity deals, up from 24% in 2020.

35% of all venture capital deals made by Investing in Women Code signatories were in female-founded companies last year, compared to the market average of 27%.

Over 200 organisations have signed up to the code, showing the growing numbers of lenders and investors committed to increasing the levels of finance directed towards women-led businesses.

Today's report demonstrates that IWC members are leading the way in addressing the finance gap between male and female entrepreneurs.

Equal access to finance will boost the potential of female founded businesses and deliver on the Government's priority to grow the economy.

See: [Investing in Women Code closing the finance gap - GOV.UK (www.gov.uk)]