

Monthly Newswire

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April 2023

RESPONDING TO THE WAR FOR TALENT

What to do if competitors are trying to poach your staff.

The job market has been particularly hot since the Covid pandemic. There is a well-publicised shortage of skilled workers, and as a result, there's a high probability that other firms are trying to poach your staff. So how do you hang on to good people in a competitive jobs market?

Let's start with your salary and benefits package. People work to get paid, and they expect to be paid in line with the market. Do some analysis of your market and ensure that your salary and benefits are in line with the current market rates.

If you're aware of competitors who pay better or offer extra benefits, your employees are probably aware of this too. Find ways to bring your staff into line with the market rates on pay as well as benefits. Good pay isn't the only thing your staff care about – they also care about benefits such as flexible working, annual leave, training, career development, etc.

If you become aware of competitor firms who are actively trying to poach some of your employees, the best thing to do is speak with your team. Ask them about their career aspirations; what training and development opportunities they would like and so forth. Ask them if there are areas where they think your firm could improve and what could be changed to make them enjoy working more. Be prepared to acknowledge any shortcomings and offer them the opportunity to get involved in delivering some of the solutions to those problems.

For example, if your staff complain that your firm doesn't offer career development opportunities and your competitors do, task them with a project to create and launch a talent development programme within your firm. By making them part of the solution, they will feel a sense of ownership and are more likely to want to stay.

Do your research and try to understand your firm's competitors. When people move from one firm to another, they will most likely trade one set of problems for another. Take time to develop an understanding of your competitor's weaknesses. If that firm tries to poach some of your employees, you can share some of that knowledge with your team members and help them to understand the problems faced by employees at the competitor firm. Perhaps they will decide that they are better off staying where they are.

HOW TO CREATE A PREMIUM BRAND

Premium brands enjoy a loyal following and can charge higher prices for their products or services. So how do you create a premium brand?

A premium brand is a company, product or service that is perceived to have a higher level of quality, an elevated status or increased value in the eyes of its target market. A brand is what your customers say about you. If you want to build a premium brand, then you need to work out how to get your customers to say that your brand is better than another.

A good example is Rolex – possibly the most famous of all premium brands. Rolex didn't invent the watch and when the brand was launched in 1908, it was competing with well established brands such as Omega and Patek Philippe. Rolex became a premium brand through PR, sponsorships and brand endorsements. For example, the first woman to swim the English Channel wore a Rolex.

If you want to create a premium brand you need to start with a clear value proposition. You need to profile your firm, your customers and your competitors in order to identify how best to communicate what your brand stands for and why people should care. Your brand must give your customers something that they value – whether that is speed, efficiency, the latest technology, ease of use or status. A premium brand must embrace a philosophy – this is the way in which a business does things. To create a premium brand your philosophy must embrace an attitude, a belief system and values that are implicit throughout the firm. Your brand philosophy will drive behaviours of your staff and will determine the customer experience. It will give your brand depth and personality.

To ensure your premium brand is also profitable, you will need to manage costs carefully. Higher quality products, better service, ethical production or using only the best materials will all come at a significant cost. You may be able to charge more for your premium product or service, but your profit margins could be squeezed by higher costs of production.

Invest in training your staff so that customers get a better experience. Invest time and effort in sourcing better materials, systems or processes so that your output is of a higher quality. Finally, do your market research and benchmark against your competitors – make sure that your product or service feels better to the customer (i.e. they have a premium customer experience).

ASKING FOR REFERRALS

Referrals are a key source of new business for many firms. Here's how to ask for referrals in the right way.

Many people (including your competitors) are uncomfortable asking for referrals. After all, if you do great work for your clients, the referrals will come, right? This approach is passive and although some referrals may come your way, it's much more effective to go out and ask for more referral business. The key is knowing how and when to ask.

As is the case with many aspects of business, timing is key. Put yourself in your client's shoes. Would you be willing to refer a service provider a few days after they started working with you? Chances are that you wouldn't, as referring a firm to your contacts is a reflection of you and your business. You would want to make sure they provided a good service before risking your reputation and referring them to others. A good time to ask a client for a referral is when you have hit a significant milestone in the relationship. Perhaps you have worked together for a year, or you have just delivered a major piece of work to the client. Has your client provided any feedback? If they say they are happy with your product or service, that is a great time to ask them for a referral.

So how do you go about asking for a referral if you feel the time is right? You could start by saying thank you. For example, you could email your client or meet with them face to face and thank them for their business. Mention that you enjoyed working with them and that you would like to work with similar clients. Perhaps they could introduce you to someone or send a referral at some time in the near future?

When asking for a referral you need to be specific. If you offer various products and services, you should specify which product line you would like a referral for. Make it easy for your client to help you. Tell them how best to make a referral – perhaps an email introduction would work best for your business? You might even offer your existing client 10% off their next bill if they refer you a new client this year.

If a client takes the time to send you a referral, make sure you take the time to thank them. In order to track where new clients come from, you should have a standard questionnaire for all new clients which asks how they heard of your firm and whether they were referred by someone. You can then use this data to ensure you track referrals into your business, which will enable you to reach out and thank your existing customers for their referrals. This will surprise and delight your clients and could result in further referrals.

WHEN AND HOW TO INCREASE YOUR PRICES

Is now a good time to increase your prices?

Inflation has been running high for a while, wages are rising and supply chains are still catching up after the disruption of the pandemic. Many businesses are facing increased costs and many managers are considering how to increase prices in order to maintain profitability.

However, there are a lot of things to consider before increasing your prices. For example, are you locked into any long-term contracts with customers where there is a fixed price arrangement in place for the next few years? If so, it's unlikely that you will be able to increase prices for that client right now.

If your industry is suffering from supply shortages and demand is high, then your customers are more likely to accept a price increase.

Price increases are a normal part of business. Yes, some clients may not like it and may look elsewhere, however, if your pricing is in line with the market then they are unlikely to get a better deal from your competitors.

If you decide to increase your prices, you need to plan how best to communicate this to your clients. It's best to inform your clients of any price increases in writing – whether that's via email or letter. You should communicate in a concise and upfront manner.

Before going out to customers, you must also ensure that everyone within your business is aware of the new pricing structure, the date that the price increase takes effect, how this affects their sales targets, etc. You should also equip your team with information on how the new pricing compares to your competitors, how to handle objections from customers etc.

When informing your clients about a price increase, your communication should clearly state that your prices are increasing and the reasons why (such as increasing costs of business, inflation and so forth). Your communication should state that your prices are going up, the reason for the increase, the date the price increase will go into effect and any actions that they need to complete (if required).