

## BRISTOL & SOUTH GLOUCESTERSHIRE

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**Federation of Small Businesses**

*The UK's Leading Business Organisation*

### You Must Be MAD by Mike Page

You must be mad to run your own business.....When I started writing this article I had been watching Gerry's Big Decision on Channel 4 where Gerry Robinson, acclaimed business Mr. Fix-it is asked to invest his own money into a failing family businesses.

What stuck me, and indeed GR, was that the two businesses in episode 1, both brewers, were basically good businesses. They had both been let down by the man at the top. With his analysis done and changes made at the top, he invested in both.

The point is that often with a problem business - it is not the Business that is the problem but the person(s) running it.

When I gave one of my talks earlier this year I asked the audience to give me a three-word definition of the role of the Managing

Director - the answer is **Manage And Direct**.

Yes - the clue is in the question! Neatly becoming the acronym - MAD! That, to my mind, is what separates out the successful entrepreneur from the rest. How often does the description of the good business leader compare the role to that of the Captain steering the ship, navigating through the difficult waters. The person who clearly knows what the destination is and navigates towards it. Of course this doesn't entirely work with the Business: Destinations change as external factors affect our enterprises. There is one way where the nautical allusion does resonate with the small business; and that is the speed of reaction we are blessed with.

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### Tax Tips: Avoid the Problem

By Mike Page

One of the biggest problems that can face a business is the dreaded Inland Revenue Investigation. If you are an FSB member you have your FSB insurance to call upon. But like all problems it is best not to have the problem in the first place. Indeed some businesses will be selected at random and all VAT business will at some stage get a compliance visit.

The best preparation starts when you set up your record keeping. Think about your business - are there any aspects of it that will be hard to explain 5 years hence? Don't forget the enquiry can spread back a long way. Cash businesses are a favourite - so have you kept all your old Z readings? Can these be traced through to your accounts and VAT returns? And have you kept all your personal bank and credit card statements? Appointment diaries? Mileage Logs? Price lists? Think about what is appropriate to your business when designing your record keeping system - ask your Accountant for advice; a little preparation now, the more information you have kept and the better organized it is - the better the chance you have of will save a lot of heartache in the future! **mp**

## Explaining The Role Of The Business Coach

By Nigel Jew

The opportunities and problems are nearly always the same:

- Need more profits - even if the business is making good money
- Cash flow is inhibiting the growth of the business - or even threatening its very existence
- Need more customers
- The owner is working too many hours for the money they are making
- The team is not performing as it should

What is a Business Coach? This can be explained by using a simple sports analogy.

**SPORTS COACHING** guides' athletes, players and teams to success, a winning strategy and game plan for victory helping them change the way they perform to win.

**BUSINESS COACHING** guides' business owners to success with proven business strategies and a game plan for profits - demonstrating and teaching new strategies and helping implement these to enable the business owner to win - whilst holding the business owner to account!

### The 5 Ways to Increased Profits

Most business owners say they want more customers, a higher turnover and more profit. What few realise is that to achieve these 3 areas of output there are actually 5 steps to concentrate on to achieve these.

First there is **lead generation**, then **conversion rate** which gives you your number of customers. Once you have customers, it is the **number of times they buy** and **how much** they spend on each transaction which gives you your revenue. Once you have your revenue it is the **margin** you make that gives you your profits. Expressed as a formula it looks like this.

Lead Generation x Conversion Rate = Number of Customers x Avg. £ Sale x Avg. number of transactions = Revenues x Profit Margins = Profits

The 5 ways are in bold. Most business owners do not measure all of these 5 ways - and so cannot do much about improving them. If you realised that by improving these 5 ways by just 10% would



add a massive 46% to your turnover and 61% to your profits - would you measure these more accurately and focus on improving them? You should!

The key to increasing your conversion rate is to test and measure it at every level of your sales process. To do this you need to identify and break-down your entire sales process into the smallest "chunks" possible so that you have a series of standardized "steps" that you and your team performs with clients as you take them through your sales process.

As an FSB member Business Coach Nigel Jew of ActionCOACH meets and works with 100's of different business owners helping them grow their profits.

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*Most business owners say they want more customers, a higher turnover and more profit. What few realise is that to achieve these 3 areas of output there are actually 5 steps to concentrate on to achieve these.*

**YOU MUST BE MAD** *Continued from page 1*

The common saying about how long it takes to turn around a Supertanker. In the business world we are at the helm of our very own racing dinghies! We can adapt and alter course rapidly as the situation demands.

So that's the direction bit sorted. But being clear about the Direction really helps the Management aspect. Often when I am sitting in a business doing my stuff, I become aware that the direction of the business has not been communicated to the staff. So I'm talking here from first hand experience.

In fact this definition came to me purely by accident, out of frustration working at what should have been a very successful business. The owner and Managing Director was having a moan and blaming his current problems on everyone - his staff, ex-accountants, IR, customers and I said there is only one person who could turn this around - who has the authority to do it and that is the Managing Director; quite simply it means your role is to Manage and Direct - and that's all you need to do!

**Is Income Tax Now Optional?**

It may well be - I'm taking the end of September slot and will be talking about how to mitigate your Income Tax liabilities - along with my own ideas as how to make more profit. So please book for that event.

**What do you want to listen to?**

The object of these Seminars is to help local business people - to come up with topics that will enable you to better run your businesses - to give you a place to network and also to ask questions of the experts we have along - so please let me know if there are topics you would like covered or suggest improvements to the current format. **mp**

**SEO Tips**

So when you see one of those "humorous" signs on the wall of a business that says "You don't have to be MAD to work here....." - let's hope the MD is!

**Mike Page**

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**So how does the competition rank?**

If you are looking to improve your own presence on the Web, don't forget to take a close look at your competitors web site - see what they are doing well (and badly).

Consider looking at competitors further afield and pick up ideas from them.

Have a look at their inbound links - are there any free web directories you are missing out on?

SEO tips: there is some good advice on UKBusinessForums [www.ukbusinessforums.co.uk/forums/](http://www.ukbusinessforums.co.uk/forums/)

*Want to get more involved? Want to have an effect on the Local Economy or the National Economy?*

*Come to the AGM on  
11 November  
Aztec West Hotel  
From 18.30*

*Your Local Committee*

***NEEDS YOU!***

### The Federation Of Small Businesses

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The Federation of Small Businesses is the UK's largest campaigning pressure group promoting and protecting the interests of the self-employed and owners of small firms. Formed in 1974, it now has 215,000 members across 33 regions and 230 branches.

Our lobbying arm – led by the Westminster Press and Parliamentary office - applies pressure on MPs, Parliament and Whitehall and puts the FSB viewpoint over to the media acting as a voice for the SME Sector, Small Business and the Self Employed.




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### Future Recession Buster Seminars:

#### 30 September 2009. Make More Profit - Pay Less Tax

Is paying income tax now optional/ A Seminar on Effective Tax and Business Planning from Mike Page

Flyer: <http://tiny.cc/fsb300909>

#### 28 October 2009. Use The Media To Get More

How small and medium-sized businesses can promote themselves in newspapers, magazines, radio and television and on the internet through good news stories.

Flyer: <http://tiny.cc/fsb281009>

25 November 2009 TBA:

**No Event December**

And from January 2010 - as you were - last Wednesday of each month.

**All Seminars are at the Aztec Hotel, Almondsbury**

**7:00 p.m. for a 7:30 p.m. Start**

Non-Members welcome - So please bring a colleague - or forward this newsletter

There is a space available for you to put your marketing material - so bring some!