

AKFP
GROUP



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10

Things business
owners wish
they had done
10 years earlier



welcome

We all look back on some of the decisions we have made, don't we, and with hindsight, wish we'd done things differently. There are, no doubt, all sorts of hints and tips we'd give our younger selves.

There are no instructions, unfortunately, when it comes to starting a new business as a first-time entrepreneur, so mistakes will inevitably be made along the way. When you've got a busy career or are in the middle of setting up a new business, there are a huge number of priorities that need balancing and it's no surprise that some things slip.

Research from business owners who have been through it, however, has uncovered some clear advice. So in this guide, we've pulled together the ten most common things they say they wish they'd done earlier.

Which ones do you most identify with? In ten years time, if you could travel back in time, what do you think you'd be changing? What would have made a dramatic difference to your business? How much pain and heartache could you have saved yourself?

We hope we're giving you ten key steps to success.

1



Set Goals

This seems a natural one to start off with. To quote the Cheshire cat in Alice in Wonderland:

“If you don't know where you are going, any road can take you there.”

Similarly, in a business setting, if you don't have a goal, it doesn't really matter which strategy you adopt but it's unlikely to produce the results you were hoping for.

Goals should be something tangible to set your sights on. As Tony Robbins describes it, 'setting goals is the first step in turning the invisible into the visible.'

As you might expect, objectives will enable you to plan and give you something to aim for. But more than that, we've identified five key reasons behind setting targets, which is why we think it works:

- 1. Accountability** - if you feel accountable, you are more likely to get your goals ticked off
- 2. Gratification** - there's nothing quite like ticking a goal off to give you a feeling of satisfaction
- 3. Motivation** - it will keep you focused and on track so you don't waste time on other activities

- 4. Progress** - it will let you measure whether you're on track - and if you've missed your goal, enable you to change things and try again
- 5. Focus** - you'll know exactly what your priorities are, which will stop you flying from one idea to the next

But to be useful, your goals need to be SMART:

Specific

Measurable

Achievable

Relevant

Timely

Once you've identified your goals, start putting a plan in place, otherwise they will just remain wishful thinking.

2



Don't spread yourself too thin

It's all too easy when you're at the start of your career or have just set up your own business to want to be involved in everything.

Being busy becomes almost like a badge of honour in today's world but it can be counterproductive - what are you actually achieving?

One of the lessons highlighted by our business owners was to learn the art of delegating and empowering others, so you can concentrate on what is important. Think about freeing yourself up from some administrative tasks, for example, to give you time and energy to grow your business. Remember, by empowering others you're ensuring good succession planning for the future.

Don't be a 'shop that sells everything'. Instead, consider what your niche could be. We all know the expression, 'a jack of all trades and master of none' so don't spread yourself too thin and think about where you can add the most value.

There's a tendency to want to say 'yes' to everyone - to always be on the go, support every charitable cause and get involved with every community event but it's important to remember that we only have a limited supply of 'mental energy'. Think about what really matters to you and focus on a few key things.

It often seems like society expects you to put yourself second but if you constantly do this you could be in danger of 'burning out'. Sometimes it's necessary to just stop for a moment and take stock. Watch out for the signs of stress overload and take time to appreciate the little things in life. Think about your own contentment by putting 'yourself' on your own to-do list - life is far too short to neglect your own needs.

3

Recruit and retain talent



You may have realised that the way to keep your sanity and your stress levels down is to learn the art of delegating. But how do you make sure you've got confidence in the people you're delegating to?

This will only happen if you recruit and retain talent.

As you'll know from experience, it's an expensive and time-consuming exercise hiring new members of staff. That's why it's better to retain good people than be constantly recruiting, just as it's more cost-effective to keep an existing client than find a new one.

So how do you recruit the right people?

- hire for character and potential not competencies - then train for skill
- become a 'tribal leader' so that you act as a talent magnet - people will want to work for you and your business
- realise that employees these days prioritise flexibility, purpose and ethics not just the paycheck
- be open-minded and focus on diversity in your workplace

It's also worth bearing in mind that someone who is successful in a specific role today, might not be so successful in the future if the corporate strategy changes or the competitive environment shifts. The question is not whether the individual has the right skills, but whether they have the potential to learn new ones.

In relation to this, when looking for potential there are five reliable indicators: motivation, curiosity, insight, engagement and determination.

As for retaining good people when you've got them, there are all manner of incentivisation programmes designed to increase staff loyalty and foster engagement. Above all though, offering good training and development opportunities shows you value the person enough to invest in them. There is also the added benefit that if you know your team have had the right training, you will feel able to delegate to them.

Remember, your business is only as good as your people. They are also what will differentiate you from the competition.

4

Get your books in order



It's interesting to note that in a survey by Business Matters magazine, one of the top five things that SME owners revealed they wished they had done differently when starting out, was to seek financial or accountancy advice.

The research found that business owners spend an average of just 3hrs 40 minutes on financial management per week, despite 59% being worried about keeping their books in order and meeting accounting deadlines. Nearly two thirds said they found managing the accounts one of the least rewarding elements of running a business.

Find a good accountant: they can be invaluable.

From the outset, take the time to put in place systems and processes to keep on top of your accounts. Invest in technology that can help simplify your financial admin and allow you to spend more time and energy growing your business.

It's important to remember that there are three crucial aspects to business:

- getting the work,
- doing the work
- getting paid for the work

It's often said that the middle one is the easy one - that's what you're good at and why you went into business. But without the first you don't have any clients and if they don't pay for the work you've done, it's all pointless.

So, actively manage your debtors. Unpaid invoices can be the bane of a small business owner's life. If you're aware they're slipping through the net because they simply take too much time to chase, take action. Make it someone's specific role within the business or outsource the task.

It's also important not to take your eye off the ball regarding costs. Manage the 1% and don't let those little expenses mount up.

So get your books in order and make your business really mean business.

5



Plan ahead for the tax year

If help with financial advice was one of the top five things business owners wished they'd acted on, planning ahead for the tax year would certainly count as an integral part of this. This is another example where eliciting the help of an expert can save a lot of time, money and heartache.

In terms of a general overview to sensible tax planning, consider the following points:

- assess your tax position well in advance so that you can take advantage of any tax breaks and allowances that are available and ensure you've used them before April 5th each year.
- make the most of your tax-free personal allowance.
- check the current income tax bands. If your income is near these limits, you might wish to consider reducing your tax bill through pension contributions or payments to charities.
- make sure you're using all your ISA allowances. You can check the amount currently allowed by visiting www.gov.uk/individual-savings-accounts
- children are also eligible for tax-free savings. Make sure Junior ISAs and Child Trust Funds are topped up.
- Capital Gains Tax allowance is often overlooked. There is scope for transferring assets between you in order to reduce your tax bill - you may also be able to deduct losses or claim relief.
- take advantage of your annual tax-free pension contribution limit to minimise your tax. You can check the current allowance by visiting www.gov.uk/tax-on-your-private-pension/lifetime-allowance
- be aware of the options of gifting and other exemptions which may be used if you or others in the family are looking to minimise the amount payable for inheritance tax.
- even consider what type of car you run in terms of emissions taxes.

6



Protect your assets

With hindsight, business owners also often highlight that they wish they'd done more to protect their assets.

You might already have insured your premises, equipment and stock, but what about the people who play the biggest part in your company's success?

Take time to think about the effect on your business if the worst should happen - if you or a business partner were to die, for example, or if you lost one of the key members of your team.

What if your best sales person became critically ill - how would the income they bring to your business be replaced? Would anyone else have the same expertise?

It's easy to adopt an "I'll risk it" or "It will never happen to me" kind of attitude but statistics from the Royal London Group show that there's a 59% chance of one man in a group of four all aged 30 being diagnosed with a critical illness during his working life.

So it's important to consider whether your business is properly protected and how you can minimise risk.

Losing your business partner would be bad enough. But without the funds to buy their shares, you could also lose control of your business and find someone else in the driving seat. It's therefore worth investigating

shareholder protection as this can give your business the money it needs to buy shares back if a partner falls critically ill or dies.

Make sure you're also aware of everything available to you. As a director of your own company, your life cover, under a 'Relevant Life Policy', could provide tax benefits while giving you the peace of mind that your family would be provided for should the worst happen.

Even if you have some protection in place, review it to make sure it offers real value. After all, it's better to be prepared than to risk everything you're working so hard to achieve.

7



Structure your day/week/month

Time is your most precious commodity - and the one most easily squandered. There are no doubt many conflicting demands on your time, so how do you ensure you're spending your hours where they will have the most impact?

We love the Getting Things Done workflow map. This looks at the threefold nature of work: unplanned work, predefined work and defined work. It then encourages you to consider:

- What you can do
- What you can do in the time you have
- What you have the energy to do

It also helps you to usefully plan your next steps in terms of content, time available and resources. In this way, rather than feeling overwhelmed by 'life's random inputs', you can work out what is actionable and plan accordingly.

You can set clearly defined objectives for each day, week and month, which will give you a much better sense of whether you're on track to achieve your goals.

Make life easy for yourself too. There are lots of helpful resources out there so use templates wherever you can for job descriptions, business plans, invoices, partnership agreements and marketing plans etc. Don't reinvent the wheel!

It's also worth investigating how many of your processes can be automated to improve efficiency and free up your time. Many of those repetitive tasks such as sending emails, posting social media updates or issuing reminders can be automated. A good system will take care of the basic functions but also offer personalised content.

Without a firm structure in place or capitalising on the resources available, all the resolutions you might have made after reading the previous sections might never be put into action.

8



Utilise technology

Develop a thirst for technology and try to keep up to speed with what is available. Review your systems and processes and consider if better technology could improve the way something is done. Ask yourself whether your current systems are allowing your team to work as flexibly and productively as they might.

Richard Branson sums it up well when he says -

"If I were 22 today, I would embrace the opportunities technology has given us. While I am in my sixties, I am incredibly excited about the transformative power of the Web and all sorts of new technology."

Understandably, budgets may be tight so you may not always feel able to invest in the latest, shiniest computers but bear in mind that technology upgrades can often pay for themselves in terms of improving performance and enabling you to accomplish more in less time.

The following are useful steps to take to ensure your IT is functioning as well as it might:

- Run the latest operating system
- Update hardware technology
- Digitise and centralise documents
- Maintain a reliable high speed network

Older operating systems have more potential for security flaws so they are more vulnerable to malware and other attacks. Although keeping old equipment may seem like a money saver, it can be a false economy as it will also take more maintenance.

More and more businesses are moving to the cloud for the email and file collaboration it offers without the need for an onsite server. It also means shared data is available from anywhere, at any time, with the reassurance of constant back up.

You'll also revolutionise your business if you can get everyone to limit the number of paper documents they use as this limits accessibility and is inefficient. Instead, make it best practice to scan paper documents and have them available on a centralised company network or, better still, in the cloud.

Always keep an eye on future advances and see what opportunities your business can embrace.

9



Work/life balance

Being stricter about a better work/life balance is one of the key things business owners pinpoint when looking back.

Ask yourself if you're happy with the amount of time you're at the office or if it could be better spent elsewhere?

It's becoming clear that there is certainly a need for greater flexibility in the modern workplace. A recent YouGov survey found that two thirds of British workers would prefer to start and end their working day earlier than the traditional 9am to 5pm. In fact, the most popular option chosen by 25% of respondents was to start at 8am and finish at 4pm.

Think about your own work habits and when you are at your most effective. It's not necessarily the hours you put in but what you put into the hours. Research has shown, for example, that the German labour force work half the time yet contribute double to GDP when compared with the Japanese who work 49 hours per week on average.

That means they are twice as effective in half the time, which shows it's all about working 'smarter not harder'. So review how you go about your work and see if you can free up some spare time, while still getting through all your jobs. 'To Do' lists are all very well but they don't necessarily help you complete them in an allotted time frame. Some people try using a 'To Don't' list instead, to make sure they're not filling their day with non-essential tasks or ones that could easily be postponed.

Once you've freed up this extra time, think about how you're spending it. It's been proven that spending money on experiences will make you far happier and have greater lasting value than just using it to buy material possessions.

There's no point working excessive hours to the point that you just burn yourself out and are in no fit state to enjoy the fruits of your labours. By making a few small tweaks, you could improve your work-life balance dramatically.



10



Talk to the experts

If there's one common theme emerging it would seem to be that business owners would advise not to try and go it alone! It can be lonely running a business so talk to others in the same position. Surround yourselves with a supportive network, speak to people who've already done it, enlist the help of experts.

You're the leader and driving force behind your business but you'll find that others have no doubt already overcome the type of problems you're battling with, so ask for help - don't spend time and energy reinventing the wheel!

By engaging experts, as we've said in previous sections, it frees you up to concentrate on what you're good at. So whether it's a business consultant, a financial adviser, an accountant, an IT expert or a marketing consultant, make sure you benefit from the expertise that's out there. They'll help you put the right systems and processes in place from the outset and save you a lot of headaches in the long run. They'll also be more aware than you of the latest best practice, the newest technology or the most cost-effective way of doing something, so take advantage of their knowledge.

Even if you're just starting out, don't be tempted to cut corners or save money as it can be false economy. After all, as the saying goes, if you pay peanuts, you get monkeys! So try and pay as much as you can possibly afford.

Interestingly, a Business Matters survey revealed that experienced entrepreneurs who had started businesses before, prioritised talking to a financial adviser, typically by the second month of trading. By contrast, those setting up a business for the first time usually delayed speaking to someone until month five and then regretted not having done so sooner.

Don't struggle on alone - use the expertise of others.

Get in touch

At AKFP, we work with a wide range of business owners, many of whom tell us they'd do things differently if they were just starting out.

We're very much of the view that you only have one life, so live it. In fact, it's what our Your Plan philosophy is all about.

Invest in yourself sooner rather than later. Don't look back in another ten years time and wish you'd taken an alternative path.

If you'd like to know more about our approach, do get in touch.

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