

CONSIDERATIONS FOR BUILDING A PRICING STRATEGY

A good pricing strategy can make or break a business. If you are perceived as being too expensive and offering bad value for money, your sales will suffer. Equally, if you are perceived as being too cheap, you may lose out in revenue terms compared to competitors who are perceived as having desirable “premium” products or services.



Below are some factors to consider when creating a pricing strategy for your business:

Economics of One Unit

Simply put, you need to know what it costs you to produce one unit of your product or service. If you sell cupcakes you should have a full understanding of what it costs you to make one cupcake. If you sell accounting services, you need to understand how much it costs you to produce one tax return.

Overheads

Direct costs are one thing. You also need to factor in your overhead costs. These costs may include renting premises, IT, equipment, light and heat. On top of this you will have staff costs, tax and other costs associated with being in business.

Competitor Pricing

You can only estimate your competitors’ levels of overheads. Some competitors may price low and push for higher volumes of sales. Others may price higher, focus on offering more quality and therefore provide more “perceived value” to their customers but they may not be able to deliver the same volume of product/service.

Quality

Having a high-quality product or service goes without saying. Even if you justify charging more for your products or services, if the quality is no good you will be inundated with returns, complaints, and negative reviews.

Benefits to the Customer

The benefits a consumer can expect to receive as a result of purchasing from your business must be clear and measurable. Having a good understanding of your customers’ needs and how your products or services offer a solution can go a very long way in helping you to set pricing. The more a customer needs your product or service the more you can charge but make sure that you don’t price yourself out of the market. Unless your firm offers unique and tangible benefits which your competitors cannot offer, you really can’t justify being the most expensive in the market.

RESPONSIVE WEBSITE DESIGN

More and more people are embracing the mobile internet. People are visiting websites on everything from smartphones to tablets, ultra small laptops / netbooks to desktops with massive screens. As such, website design has had to adapt in order to ensure that the web content displays properly on everything from an iPhone to a 50 inch TV.

This shift in website technology requirements has resulted in what is called “responsive web design”. This technology promises users a simpler, more satisfying online experience by adapting content to display differently on different types of screen.

Responsive web design sites are specially designed and coded so that when a visitor’s device type is detected—smartphone, tablet, laptop or desktop—they serve up content that’s appropriately sized for that specific screen size. This is exactly what visitors want.

A responsive design allows businesses to create and maintain one website which serves both PC and mobile device traffic. This allows for increased levels of engagement with customers (and potential customers) who can access your website regardless of their chosen device. Furthermore, your business could gain an advantage over competitors as responsive design is still quite new and your competitors may not have embraced this technology yet.

Increasing numbers of businesses are recognising that growth in usage of mobile devices for viewing web content can offer another route to market. Website users want instant access to information so designing a site that caters for this can only be a good thing.

This type of website design requires that files and graphic images are kept small to ensure all website pages load fast. It’s often best to design the mobile website first and then the desktop version.

If you embark on a project to implement responsive website technology for your business’s website, be prepared to do lots of testing. You will need to ensure that your site displays appropriately on a range of devices with different screen sizes and download speeds. If possible, gather user feedback from your customers in order to refine your site and deliver maximum value to your target audience.

INTERNAL REFERRALS

In today's tough job market, the saying "it's not what you know, it's who you know," has never been more true. Many businesses offer rewards and incentives to staff who assist with hiring new candidates.

With so many variables involved, external applications, agency candidates, social networks, and referrals, having an effective applicant tracking system in place is vital when it comes to verifying which methods work best for your company. Most businesses trust their employees to recommend high quality candidates but does knowing someone necessarily make a person a good candidate?

Hiring a new person is a big commitment for any business. Not only does it mean paying the employees' salary, but the business also commits to paying for their training, background checks, and other assessments. In today's financially difficult times, getting it right when it comes to hiring new employees has never been more important.

Incentivising your team to refer potential candidates can save a considerable amount of time and money. Employment agencies and head hunters charge very significant fees. By offering a reward (say, £500 or 2 days extra paid holidays) to existing employees for introducing a new employee, the business can fill a role without paying thousands of pounds to a recruitment agency.

If an existing employee has a relationship with a potential recruit, the firm will also be able to learn about the candidate from the current staff member. Also, most people will only introduce good candidates to their employer as the candidate is a reflection on them. The business can protect itself by only offering the reward once the new recruit has successfully completed their probationary period.

A further benefit of adopting incentives for staff who successfully introduce new employees to the firm is the motivation and positivity experienced when the introducer receives their bonus or reward.



TIPS FOR EFFECTIVE MEETINGS



Meetings are a fact of life in business. Some people love them, others think they take up too much time. The key is to ensure that meetings are effective and time efficient. Here are a few tips to help you get the most out of meetings.

Start on Time

Time keeping is essential. Start every meeting on time. Late-comers will get the message after turning up late on a few occasions – they will see that you won't wait for them and will tend to make the effort to be on time in future. It's also important to end on time (or better, slightly early). If you build a reputation for letting meetings drag on, you could struggle to get people to turn up to future meetings as they may perceive your sessions to be too time consuming.

Create an agenda

An agenda adds structure to a meeting. Outline the points to be considered, detail the decisions which need to be made and circulate the agenda in advance of the meeting. This will help make your meetings more efficient and will also ensure that, more often than not, decisions are made.

Take minutes

Ensure that someone takes minutes. Decisions made should be noted and minutes should be circulated to all attendees following the meeting. Minutes should be circulated within a day or two of the meeting – to ensure that matters discussed are still fresh in the minds of the meeting attendees.

Actions

Actions should be agreed at meetings and make sure that these are noted in the minutes. If an attendee is required to do something following a meeting, ensure to assign a deadline for the action to be completed by. This will help you to get things done.

Please contact a member of our team if you would like to discuss any of the issues raised.

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