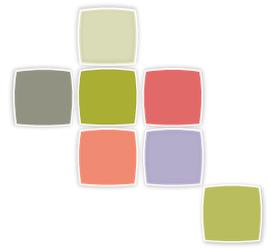


FINANCIAL DYNAMICS

Chartered Certified Accountants & Business Advisers



Business Insights

SEPTEMBER 2013



GROWING OUT OF BUSINESS

How can brands that were once hot properties fall off the face of the earth? Well the more obvious reasons include being out-manoeuvred by competitors, getting hit unduly hard by economic events, or missing the boat on innovation. Less well known - cracks in corporate culture that come about as a by-product of expansion. As an organization prospers, the team must expand along with it, and that is exactly when the cracks begin to appear.

MISSING THE SIGNS

Most growing businesses miss the early warning signs of cultural demise. After all, they are on a roll, have found a hot niche, crafted a cool image, cultivated inspired employees, and developed a fan base. Whatever they are doing, it is working, and as a result they are generating buzz that adds to the momentum. However, that is where the danger lies. Sooner or later, every brand that enjoys marketplace success will begin to experience tears in its corporate culture.

JOINING THE RANKS OF THE UNREMARKABLE

At first they are almost unnoticeable. Quality begins to suffer and new employees who think differently get brought on board. There is less time for each new staff member to get acclimatised. Vision and mission start to give way to benchmarks and processes. Employee turnover increases. Customer loyalty abates. Before you know it, you wake up one day and the magic is gone. Businesses rarely go out of business at this point but they join the swollen ranks of the unremarkable.

NEVER IGNORE INTERNAL DYNAMICS

Brands that focus exclusively on external threats ignore the internal dynamics. This may represent the greatest danger to their long-term success.

TAKING THE RIGHT STEPS

There are countless steps that can be taken to nourish your corporate culture such as developing thorough recruiting standards to ensure you attract people who will enhance, rather than detract from, your culture. Invest in culture-strengthening communications—from internal videos meant for your team to social media posts that make a statement to the world. Identify and celebrate a handful of non-negotiable policies or procedures that mark your brand as distinct. Never be afraid to take a stand on things that are important to you. And be careful to avoid any internal perceptions of inconsistency.



TIP OF THE MONTH

KEEPING ON COURSE

Your business plan is the roadmap to your company's growth. It should reflect the overall company vision as well as the strategy and goals of each functional area such as sales, marketing, finance, operations, IT, human resources et al. Annual updates are recommended, but during periods of rapid change more frequent revisions may be required to ensure the plan is directing growth.

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For further help and advice
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