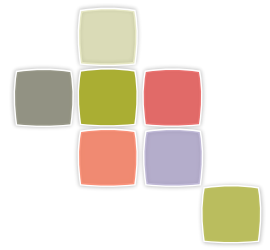


FINANCIAL DYNAMICS

Chartered Certified Accountants & Business Advisers



Business Insights

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THINKING ABOUT NEW INDUSTRY SECTORS?

In a global economy no industry stands alone. Every single one is tied together through a network of energies, influences and economies, no matter what or where they are. Today, even wildly different industries are not quite as far removed as people might think. This interconnection of markets and industries can create complementary strategies and synergies across business sectors, even if people do not see them at first glance. That is why expanding your business into another industry can create unexpected combinations that result in new, untapped potential.

The world might appear massive but in truth it is getting smaller all the time mainly thanks to the rapid exchange of knowledge and information. This means that you can master the intricacies and obscurities of any industry on the globe faster than ever before. Even so, when you are preparing to go into a completely new industry, it might feel like you are entering an unknown territory without guidance. It is perhaps wise to remember the multitude of things you already do know such as how to market effectively, strategically deliver goods or ensure top-level service. Applying your knowledge and business experience to a new industry can allow you to see things differently from the competition.

CHOOSING YOUR MOMENT

There is never a right time to enter into the unknown but there are precautions you would be wise to heed:

- Do your homework. Observe the market that you are interested in and observe its ebbs and flows. Never be afraid to explore it from the sidelines before choosing an opportunity.
- Ensure that the market you're entering shows a few years of growth, has a relatively steady outlook, and can offer enough of a return to make your effort worthwhile.

- When you're developing a new business, you should always be cautious. Remember that expansion always comes with a risk, but as long as your finances are in order, any time can be the right time to get started.

There is another important factor to consider. If, for example you are expanding into a market that is entirely new to you, always opt for one you have a passion for. Remember you will be devoting a large amount of time and effort into this new venture and expanding into a new industry is an even bigger risk if you are doing it half-heartedly. Always ensure it is something you love and something that complements your current employees' interests and talents too.

SYNERGY

So now you have two businesses running in tandem you will see how they influence each other and make each other stronger and a good part of this flow of energy and power begins with your employees. Start by using the talent in both your businesses to help each other. This way, you can maximize your talent pool and resources and give your employees a chance at fresh, new work for an exciting project. You will also begin to see your leadership team growing stronger as working in two industries at once makes it easier to see connections between trends and best practices in every company. However it does not mean that you have to personally take on every facet of responsibility. It is smart to have a management team for both ventures.

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For further help and advice
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