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Understanding...

# Competing and thriving in a changing economy

A guide to managing through  
the credit crunch



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## Understanding... Competing and thriving in a changing economy

Welcome to 'Understanding... Competing and thriving in a changing economy', one in our series of guides designed to help small businesses increase their confidence and competitive ability in an uncertain economic climate.

In this guide we aim to demystify key topics by:

- Outlining how to get the right financial advice and manage your funds and banking needs
- Showing how to control your costs while improving productivity
- Demonstrating how to improve your quality of service and ensure customer loyalty
- Explaining how to market yourself over the web

For further advice about technology and what it can do for your business, to access case studies and articles or to download copies of the other 'Understanding....' guides, go to BT Business Insight, a unique online resource for small businesses, at [www.bt.com/insight](http://www.bt.com/insight)

Guidance is also available from NatWest, the UK's the leading bank for small business. Go to [www.natwest.com/smallbusiness](http://www.natwest.com/smallbusiness)

For information and advice on accountancy, finance and management issues go to ACCA (The Association of Chartered Certified Accountants) at [www.accaglobal.com/sbw](http://www.accaglobal.com/sbw)

## It's time to sharpen your competitive edge

The current climate, with rising oil and food prices, together with a slowing economy, have put pressure on small businesses – by raising costs, lowering available credit and generating increased competition. But by improving your confidence, controlling your costs and sharpening your competitive edge, there's no reason your company can't grow and prosper.

As a small business, the key to thriving in an uncertain economy is to stand out against your rivals. This means not only running your company more efficiently, but also making sure that your voice is heard by the audiences that matter to your business. On top of this, it means controlling your spending to ensure a sound return on any investment you need to make.

This may sound like quite a challenge. However, a multitude of technologies are now available to small businesses – covering areas as disparate as finance, the internet and marketing – so you don't need a huge budget to get ahead. There is also a wealth of advice available, specifically geared to ensure you are making the right decisions.

Part of the battle is in knowing exactly what's out there. This guide will take you through the basics of remaining competitive and thriving in the current economic environment – and help you take some of the bite out of the changing economy.



## Getting the right financial advice

Successful businesses are built on the right advice. The Association of Chartered Certified Accountants (ACCA) advises that before the planning, strategy and execution of a winning business idea, the first step is learning what to do legally and financially (and equally as important is learning what not to do). Navigating the minefield of legislation can seem overwhelming, but there is a huge amount of help out there for those that have time to look.

While your financial advisor or bank can help you out with a lot of the financial compliance issues, there are also plenty of places where advice is free.

### Here are some good places to start:

- For advice on all legislative issues affecting small businesses, go to the **Federation of Small Businesses (FSB)** – [www.fsb.org.uk](http://www.fsb.org.uk)
- Find a Chartered Certified Accountant at **ACCA** – the global body for professional accountants – [www.accaglobal.com/sbw](http://www.accaglobal.com/sbw)
- To see how global policies can have an influence on trading, see the **Confederation of British Industry (CBI)** – [www.cbi.org.uk](http://www.cbi.org.uk)
- **Business Link** is the UK Government's free advice and guidance service – [www.businesslink.gov.uk](http://www.businesslink.gov.uk)
- For information and advice for all stages of a successful business, **BT Business** can help – [www.bt.com/insight](http://www.bt.com/insight)



## How can I get funding?

Before you start trading, you will need sufficient finance – both to set up your business and to cover your initial running costs. If you don't have the required capital at your disposal, you will need to approach other sources of funding. This is where market research and a solid business plan will be invaluable to demonstrate the viability of your business proposition.

### So what type of finance is available?

- **Private equity** – money invested by outsiders in return for a share of your business, sometimes as simple as family and friends.
- **Debt** – overdrafts, loans, hire purchase, factoring and credit card finance.
- **Grants and awards** – these are usually given to specific projects or achievements and do not need to be paid back.
- **Retained earnings** – funding carried over from the previous year's profits.

Start-up businesses don't have access to retained earnings, so they usually rely on equity or debt funding. However, some businesses may be eligible for grant aid and business advisers or accountants should be able to provide details of locally available funding.

### Hints and tips

- Be realistic when preparing financial forecasts, as potential investors will want to see evidence to back up your claims.
- Make sure you have a good cash flow and credit control system.
- Always estimate your financial requirements carefully and thoroughly to avoid cash-flow problems.
- Be sure you can always meet repayments before taking out a loan or other debt finance.
- It may take a while for your business to get up and running, so make sure you have sufficient revenue to tide you over while your company grows.
- Take professional financial advice before setting up your financial management systems.

## How do I set up my business legally?

If you start trading as one status of business it does not mean that you always have to trade that way. As your business grows, you may decide to change the legal status of how you operate.

### Legally, there are five main business structures:

- 1. Sole traders** have fewer options for raising capital than other businesses. A sole trader remains liable for all business debts, so if the business runs into difficulty, a sole trader may lose their home and car paying off the business debts. However, a sole trader is entitled to all the profits of the business.
- 2. Partnership** is a similar legal entity to a sole trader except that you are running a business with someone else, sharing the highs and lows, and more importantly, the profits. It is important that a legally binding partnership agreement is drawn up.
- 3. Limited company** status allows a business to generate income by selling shares. Personal liability for any business debts is also lessened and there are some tax benefits.
- 4. Limited liability partnerships** have a separate legal identity, the flexibility and tax status of a partnership, but the benefits of limited liability. They must register with Companies House and are treated in a similar manner to companies with regard to any insolvency difficulties.
- 5. Community Interest Company (CIC)** status applies to social enterprises and businesses that operate with a community or social objective, although isn't suitable for a family trading company.

From a purely financial point of view, it may be best for new businesses to set up as one of two business types: sole trader or partnership. These are the simplest and cheapest ways to start up, although to manage risk and liability it is important to get the structure right from the start.

### A sole trader is legally responsible for:

- **Tax** – all profit from a sole trader is treated as personal income and is therefore subject to tax. You'll need to inform HM Revenue & Customs (HMRC) that you are starting a business within three months.
- **National insurance** – sole traders are required to pay Class 2 and Class 4 National Insurance contributions at the current rates.
- **Accounts** – these do not have to be audited, but a proper account system should be set up. Your records – including a profit and loss account and balance sheet – should be produced for submission with the self-assessment tax form.

### A partnership has a number of legal obligations, including:

- **Tax** – unless otherwise agreed, partners are assessed for tax according to their personal income. As each partner is responsible for their own tax, they must complete an annual self-assessment form. The partnership may also be liable for VAT if the turnover exceeds the current limit.
- **National insurance** – partners are liable for Class 2 and Class 4 National Insurance contributions.
- **Accounts** – a partnership does not need to produce audited accounts, but it should keep adequate accounting records and produce a profit and loss account and balance sheet.

## Hints and tips

- Get professional advice from a solicitor and an accountant before you start trading.
- Contact your local authority to obtain any necessary licences well in advance.
- Don't underestimate the importance of legal compliance as you could face prosecution if you fail to have the correct documentation in place.
- Make sure you include the costs associated with compliance – such as insurance fees – in your budget.

## How do I protect my business?

It's critical that you're insured against any eventuality – the last thing you want is your business to be held up by circumstances beyond your control. There are numerous **types of insurance** cover that you'll need, which will vary slightly depending on whether you're working in a retail, office or mobile environment. A financial advisor or bank manager can quickly explain these, but it's important to make sure you're covered.

### Types of cover include:

- **Buildings and contents** – cover for most types of damage or loss.
- **Equipment breakdown cover** – to keep your business running.
- **Money and more** – cover for cash and breakages.
- **Employer's liability** – cover for damages and costs should employees be injured as a result of their employment.
- **Public and product liability** – cover for damages and costs should a member of the public, client or customer be injured on your premises.
- **Personal accident** – provides you with an income if you are unable to work through injury.
- **Business interruption** – protects your income in the event of damage to the premises by an insured event.
- **Legal expenses** – defends your legal rights in situations such as tax enquiries, employee disputes and tribunals.
- **Commercial vehicle insurance** – from one van to an entire fleet.



## CASE STUDY

### Coaching company becomes complete with first rate accountancy

Any relationship requires time, effort and, of course, trust. Ask Lorna Sheldon, managing director of The Complete Works (International) Limited, a Midlands-based specialist training and coaching company which has been working with top directors and business managers for over 20 years.

Apart from employing a personal assistant and using the services of many freelance associates, C W International is very much a one-woman band. Although, in talking with Lorna it is apparent that her accountant is a pivotal part of the business' success.

For over 17 years she has entrusted her financial affairs to ACCA-qualified Val Culley, managing director of Culley Lifford Hall, a well-known Midlands accountancy company which specialises in tax and business services to small businesses.

Lorna explains: **“When I was initially looking for an accountant, Val impressed me as she was not merely an accountant but understood all aspects about setting up a business and the problems which arise from it.”**

The pair are in weekly contact and meet on a regular basis. Lorna continues: **“I am absolutely useless with figures and go straight to Val with any business query I may have. She is incredibly useful to me and my business.”**

**“I totally entrust her with the financial aspects of my business. I do not want to have to think about things such as year-ends, or capital gains. She lets me get on with the things I'm good at which is running the business. She is vital to its growth and losing her would be like losing my right arm.”**

Lorna reveals that an area where Val has brought added value to the business is through late payments. **“Val suggested that I invoice upfront wherever possible and I am unsure that every small business does this. The current economic climate has meant that I have definitely had to reduce fees slightly to fit budgets and work even harder, but throughout it I am carefully advised by Val”** she says.

What advice would Lorna offer to other small businesses seeking the support of an accountant? She smiles and says: **“Employ Val.”**



### Controlling your costs

Controlling your business costs is a crucial way to maintain your competitive edge. The economy is intensifying financial pressures on businesses of all sizes, so it's more important than ever for companies to take a look at their finances and make the relevant adjustments.

First and foremost, businesses should consider how to adopt flexible working practices. For example, encouraging conference calls rather than face-to-face meetings will help businesses to fight back against rising fuel costs and other travel expenditures. Furthermore, flexible working can help businesses manage their workforces more efficiently – reducing costs and improving morale by allowing staff to maintain a more balanced work and home life.

As always, every business is different and there is no single formula for getting the optimum value from your assets. However, by choosing the right communications technologies, understanding the web and taking advantage of all the services open to you, your business can enjoy long-term value and increased productivity. Similarly, there are numerous low-cost and free services specifically designed to help small business control their budgets.



### How can I reduce business costs?

Reducing your costs is the simplest way to improve your company's finances. Your IT and communications system can be a productive place to start as it's often a significant consideration and area of spend for small businesses.

However, it is essential to look at your systems and requirements as a whole. This will enable you to see exactly where cost savings can be made and ensure you are still planning for the future, leaving room for growth and maintaining your competitive edge.

In addition to eliminating wasteful activities and expenditure, carefully managed cost control can also open up a whole range of new technologies that offer the opportunity to increase efficiency, create a better work-life balance for employees and increase customer retention for your business.

### How can consolidating my suppliers help?

Your IT and communications spend can also be reduced through careful management. 62 per cent of UK businesses have more than four suppliers for telecoms and IT alone! Cutting costs here can be as simple as consolidating all lines, calls and mobiles, which saves cash at a stroke.

Many large companies already make significant cost savings by using consolidated IT and communications services, which allow them to simplify their systems and reduce their expenditure.

#### Now, smaller businesses can follow suit:

- **By unifying IT and communications services** – from broadband to fixed-line telephone and mobile – you can reduce the number of suppliers you use and create a simpler infrastructure with increased visibility to ensure long-term cost savings.
- **Furthermore, consolidated services offer a range of financial benefits** – including capped calling to and from mobiles. Annual discounts of up to five per cent are also available on these services.

The best way to get started on consolidation is to look at your IT and communications spend as a whole. This will allow you to use analytical software to see where and to whom you make the majority of your calls – and pick the best consolidated option to suit your needs.

## MINI CASE STUDY

### Woody's Express Parcels boosts customer service

Woody's Express Parcels is a haulage and courier firm operating from Stornaway in the Outer Hebrides with principal depots in Inverness, Aberdeen and Glasgow.

David Wood, Managing Director of Woody's Express Parcels, explains the problem he was facing: **"Previously we had services from a number of different suppliers. Whenever something went wrong nobody seemed to want to take responsibility."**

In addressing that problem, Woody's Express Parcels took into account BT's capability to serve even the remotest regions of Scotland. It sought advice from the BT North Scotland local business.

A BT Communications Complete solution was recommended. This comprises a Cisco UC500 communication system with broadband and ISDN services for the company's Stornaway and Inverness offices. Better call control and routing options, and more advanced messaging facilities, are just some of the advantages.

David Wood observes: **"BT provided exceptional support, tailoring the system to our precise requirements. The BT solution is enabling us to deliver much more professional customer service."**

With the BTCC solution already making an impact, the next step could be integration of mobile communications and extend the current solution to serve other Woody's Express Parcels offices.

## What is on-demand support?

Dedicated IT support is expensive and labour-intensive – a luxury few small businesses can afford. As a result, responsibility for critical business systems can take precious time away from strategic decisions.

On-demand support, however, offers a low-cost alternative to in-house IT. On a subscription basis, consultants and technicians are on hand to solve your technology issues – from resetting a forgotten password to reconfiguring your entire system.

For businesses with more demanding support requirements, customised solutions are available – from advice over the phone and proactive management to a more long-term and complex solution. You can even choose finance options to reduce up-front expenditure on IT.

### The benefits include:

- **Configuration and setup.** Remote support removes the hassles associated with getting started, while having expert assistance from the outset saves you time and ensures technical quality.
- **Resource support.** This allows you to run high-performance hardware to suit your business needs and eliminates the worry of what happens when things go wrong.
- **Flexible solutions.** Efficient, flexible solutions help keep your PCs and software running, freeing up your staff to focus on more strategic tasks.
- **Ongoing management.** Access to qualified IT support – no matter where you are – ensures everything runs smoothly.
- **Multi-site support.** There's no need to wait for a technician to be dispatched to your office as the experts can access your PC remotely to address any issues – without causing downtime.

## Software at your service

Software as a Service (SaaS) is a business buzz phrase at the moment, and is used to describe a wide range of different types of software and applications that are hosted, maintained and upgraded by a third party company and delivered to users over the internet or 'on-demand'.

SaaS applications are ideal for small businesses as they allow you to use the latest business-grade software developed specifically to meet your needs free or on a subscription basis, removing the need for upfront capital investment in terms of hardware and software, as well as upgrade costs.

It also means that you no longer need to manage and support critical business applications in-house, as that is taken care of by the company supplying the service.

SaaS offers even the smallest company a choice of options, ranging from free basic email access as an inclusive part of the business broadband package to tools that offer the ability to share information and services, such as company-wide calendars, address books and folders. BT Business Builder, for example, is a free online service designed to help small businesses manage the fundamental, day-to-day elements of their business. It brings together a series of online tools to support basic business administration processes within both start-ups and established businesses.

## What are Free Business Services?

The internet has had a profound effect on all of us, particularly when it comes to free services. In the past, these have tended to be developed for consumers but free business-grade applications and services that solve a wide range of problems are now available for business users too.

Many people think this sounds too good to be true but free business services and applications are available from even the biggest service providers and vendors, including BT Business. Users register to use them but have no commitment to pay for the services in the future. Some services also offer the option to upgrade the products to get more functions or services, usually for a small monthly subscription. So the choice and control rests entirely with the business user.

## How can I control my communications spend?

In order to manage your communications costs effectively and stand the best chance of consolidating and reducing them, it's essential to understand them. Knowing where and when you incur telephone charges, whether it's fixed-line or mobile, is a simple first step.

Analysing and reconciling multiple bills can be difficult and more time-consuming than is ideal. One way of avoiding this is to consolidate your spend onto one bill from one supplier. Also, electronic analysis tools which can in some cases be provided free by your supplier— such as BT Billing Analyst – can help you understand your communications expenditure simply and easily.

This type of analysis tool allows you to view your entire fixed-line and mobile spend, distilling your telecoms information in a simple way.

### This means you can:

- Quickly understand your call itemisation with easy-to-read graphs
- Identify under- or over-used lines so you can manage your resources better
- Spot call trends – whom are you calling the most, and why?
- Identify areas that may need further investigation

## How BT can help you control costs

With business costs rising and profit margins shrinking, businesses are naturally looking to run a tighter ship. The good news is that there are many solutions out there that can help make your business more efficient, save you money and help you cut through these challenging times.

### For example:

- As travel costs rise, BT's Web Conferencing Services reduces the need for meetings, cutting petrol costs and saving valuable time.
- To address increasing building rentals and infrastructure costs, Comms Complete enables staff to work from home, while IP Converge can consolidate separate voice, data and security networks into just one cost-efficient network.
- With the cost of obtaining raw materials and services climbing, eProcurement helps you identify the most competitive suppliers from across the world, while One Plan offers capped rates on UK and international phone calls.
- As your people's time becomes more expensive, IT Manager frees up your staff to focus on bigger strategic projects whilst we look after their IT/Comms.

## Confused about controlling costs?

### Follow this checklist

- Embrace flexible working.
- Use VoIP for calls online.
- Get on-demand IT support.
- Market your business online.
- Switch to subscription solutions (such as BT All you can meet Conferencing).
- Get your hands on 0% credit.
- Consolidate to accumulate.
- Analyse your communications spend.
- Make the most of free services.



## CASE STUDY

### BT Business One Plan helps rural hostelry to cut costs and simplify administration

#### Making management easier

Kevin Edwards, landlord of the Bull's Head Inn near Huddersfield, wanted a simpler way of managing the communications services in his busy pub and restaurant.

**"I was getting separate bills for broadband, mobile phones, and fixed lines,"** he recalls. **"All the bills arrived on different dates from different suppliers. Making separate payments was time consuming, and it was hard to see how we were spending our money."**

Having talked to BT, Kevin decided to combine all his services using BT Business One Plan. This has reduced administration for the family-run business by providing just one monthly bill for all services.

Expenditure information comes on a CD-ROM and can be easily viewed and interrogated using BT Billing Analyst, which is included with BT Business One Plan. Kevin Edwards says: **"Now we've got just one direct debit for all our services, and it's much easier to arrive at the figures we need for financial forecasts."**

#### Saving time and money

Phone bills could be much lower in future because BT's standard cap of 10 pence for UK<sup>1</sup> calls is reduced to five pence under BT Business One Plan<sup>2</sup>. There's also a 20 pence<sup>3</sup> cap on calls from UK fixed lines to most UK mobiles for up to one hour, and the Bull's Head Inn will receive a five per cent credit if – as expected – it meets the annual spend commitment of £500<sup>4</sup>.

**"Our phone lines are busy,"** says Kevin.

**"We make a lot of calls to our suppliers, plus we have a dedicated line for the credit card terminal and another for the cash machine located in our premises for customers to use. Using BT Business One Plan, we're anticipating substantial savings this year on our BT services, including a significant reduction in mobile costs."**

#### The right business solutions

BT has also supplied the Bull's Head Inn with one HP Notebook computer, two BT Office Anywhere handheld devices, and two mobiles on BT Talk Time (a tariff that can be shared between multiple handsets). The mobiles are for family members in the business, while catering and bar staff members use the computer for online learning. BT Office Anywhere consists of a handset combining phone services with access to email, documents and calendar, which helps people collaborate more effectively when they are away from base.

**"We're getting some important benefits from BT Business One Plan, including the convenience of having just one number to call if anything goes wrong,"** Kevin concludes. **"We've also had expert and very professional help from our BT contact, who quickly understood our business and was able to recommend the most appropriate services for our needs."**

<sup>1</sup> Means landline calls of up to an hour to numbers beginning 01, 02 and 03.

<sup>2</sup> Opt-in required. Annual minimum spend of £500 plus and reconciliation fees apply. Minimum 24 month term. Requires commitment to two core products including a fixed line product. Pence per minute rate applies after 60 minutes. Set up fees, fair use policy and conditions apply. See [www.BT Business One Plan](http://www.BT Business One Plan) for further details.

<sup>3</sup> Opt-in required. 7 pence set up fee applies. Applies to calls to the four main mobile operators only. Exclusions (including calls to numbers ported from other networks), fair use policy and conditions apply.

<sup>4</sup> The reward is based on your eligible spend and certain levels of spend being reached. See [www.terms and conditions](http://www.terms and conditions) for details. Reconciliation fees apply.



### Keeping your company up and running

The best way to beat the economic gloom is to look after your most precious asset: your customers. Your clients are your lifeblood, and in an uncertain economic climate it's more important than ever to serve your existing customers as well as you can – and attract new ones wherever possible.

So why focus on customer service? As a small business, customer service is intrinsically linked to what you do every day. It's a crucial part of how you work and an important way to differentiate yourself from your competition. Good customer service means referrals, repeat business and ongoing success – and ultimately, makes great business sense.

However, unlike larger companies, small businesses can lack the resources to maintain a clear view of their customer interaction. Consequently, it can be all too easy to disregard the value of regular feedback, new marketing techniques or improved technologies that could make a huge difference to your relationship with customers.

So in order to serve your customers effectively, it's essential to stand back and look at all the ways you interact with the outside world, as well as looking at your internal procedures and systems. This will enable you to see what improvements need to be made – and really benefit your business in the long run.

### How can I serve my customers better?

It's important to remember that no two customers – and no two businesses – are alike. Every consumer has his or her own approach to buying, preferred means of communication and unique personality. A one-dimensional strategy, therefore, could be a huge stumbling block. It's all about choosing the right approach.

In order to grow, every small business needs a multi-faceted, integrated customer service that takes all foreseeable preferences into account.

**But before you create a detailed plan to improve your customer service, ensure you have the following points covered:**

1. **Be fast** – ensure that the technology mix and culture of the organisation are geared for speed. Put yourself in your customers' shoes. How quickly would you want a response from a supplier?
2. **Be flexible** – customers have their own ways of working, and their preferred channels of communication – from phone and email to IM and fax. Make sure you're prepared to deliver quality services through a multitude of media.
3. **Be open to new ideas** – just because you're used to working one way, doesn't mean that you can't experiment. Make sure you undertake regular performance reviews and look at how you can improve. It's also a good idea to keep an eye on additional tools and new technologies that might help you work better.
4. **Be responsive** – offer a consistent service and a consistent consumer experience wherever your staff may be, whether it's in the office, at home or on the move. Unified communications systems can greatly improve your ability to respond quickly and effectively to customer needs, regardless of time or location.
5. **Be organised** – Make the most of technology to ensure that key customer service data is captured and used appropriately. Use Software as a Service (SaaS) as a fast, flexible and affordable way of getting these systems in place.



## What is CRM and how could it help me?

Customer Relationship Management, or CRM, is a term that describes software that helps you manage interactions with your customers and prospects. Back when an address book was enough to manage customer relationships, we didn't have technology such as email, web conferencing and e-marketing to contend with.

Nowadays, the internet has introduced entirely new ways to interact with customers – but with them come new challenges. So how does CRM help?

- **Accuracy.** Ensuring every interaction and transaction is logged and monitored is the first step in a successful and fruitful customer relationship. It not only helps you understand more about your customers' buying habits and their likes and dislikes, but also means that every time you speak to them you can pick up where you left off.
- **Service.** Think of your own personal benchmark of customer service. Is it the call centre that has your complete history at its fingertips, or the local shopkeeper who knows your first name and favourite brands? CRM software can help you do both – ensuring that you're interacting with every customer on the appropriate level, no matter how quickly your business grows.
- **Marketing.** Personalised marketing is the most effective – when you can speak to a single person, and offer something they need at the appropriate time. CRM can help you plan marketing activity, then segment it by customer profile, immediate need or sales history.
- **Sales.** It's easier to sell more products to existing customers than it is to win new ones. So a better understanding of your customers can create a huge opportunity to sell more, and help them make the right decisions about your products and services. No matter what market you're in, the ability to recommend products or services, and even predict when a customer may need them, is a vital sales tool.

### CASE STUDY

#### Integrated Management Suite supports eco-tourism growth for Way Out Experiences

Way Out Experiences creates and runs environmental projects that tackle global issues such as the extinction of orang-utans in Borneo. It is vital that accurate and timely information about volunteers is transferred between the UK communications office and the Malaysian sites, so that logistics and medical details are passed on correctly.

Afzaal Mauthoor, Marketing Director at Way Out Experiences, explains: **“It's like spreadsheet tennis at the moment, going back and forth. We were looking for some state of the art technology that can collect all the information to one central depository so that anyone in the company can view it at any time and communication is more efficient.”**

Afzaal was in negotiations to buy a Customer Relationship Management (CRM) system from a local company when he went to the BT Business Experience, an event showcasing innovative technology to small and medium sized businesses.

Way Out Experiences had assumed it could not afford a top flight CRM system until Afzaal met the BT Business Applications team at that event.

NetSuite, provided by BT, is a powerful web-based application for running any business and includes accounting, Enterprise Resource Planning (ERP) and e-commerce features as well as CRM. The main benefit for Way Out Experiences is the ease and speed with which employees can now communicate information.

Afzaal says: **“With NetSuite, every person, no matter how remote they are, has access to real time information about each customer. If a customer calls we're able to view their details immediately. It saves us time, and enables us to share information accurately and promptly.”**

### Marketing yourself effectively

Advertising and marketing are no longer restricted to big-budget companies. The internet has completely changed the market for small businesses – not only in the way they operate, but also in the way they are perceived. Now, businesses with no budget whatsoever can reach out to a potentially unlimited customer base, simply by using all that web 2.0 has to offer.

Don't be scared off by terminology. Web 2.0 simply means user-generated content and collaboration online. So if you're au fait with Facebook and YouTube – and even if you're not – there's no reason why web 2.0 can't help you reach out to more people, wherever they are.

### How can people find my site?

Using the Web to attract new customers isn't just about having a great website – it's about making sure the right people find it. A good way to start this journey is by choosing your domain name carefully. Your domain name is essentially your online address (as well as being part of your email address), so it should be something like `yourbusinessname.co.uk` or `yourbusinessname.org.uk`.

Getting your domain name right is crucial because it reflects your company's identity online. So make sure whatever you choose is easy to remember, easily connected with your brand and – most importantly – easy to spell. Once you've chosen your domain name, you'll need to check if it's available through a domain name registration service such as BT Business Pack Web Hosting, which also gives you a site builder (to create a website easily), web space on which to host it and ten email addresses ending in your domain name.

Once your website is up and running, it's worth adding interactive elements to it to help you attract more customers. A good place to start is by having a free web consultation and optimisation service – like the one offered by BT – which will look at your site in detail and pinpoint areas that can be improved in line with your business objectives.



## What is search marketing?

Once you've built an online presence, one of the challenges you'll face is how to drive people to your site. Search engine marketing is a great way to make sure you get maximum online exposure.

Most people who use the web are familiar with search engines – and use them to find exactly what they need, whether locally, nationally or internationally. As a result, once you have your interactive site working the way you want, search marketing is the logical next step to generate sales leads from existing search engines like Google.

In order to use search marketing successfully, you'll need a detailed understanding of search and ongoing tweaking of how you use it. This can be both time-consuming and costly – in fact, some larger companies employ teams specifically to concentrate on search marketing.

However, smaller businesses can still take advantage of search marketing by using a subscription service. BT Web Clicks, for example, gives you expertly chosen keywords and professionally written advertising copy to boost your visibility, and the service costs from just £20 a month. Using this type of service allows smaller businesses to ensure that visitors who come to your site through a sponsored link are looking for the exact products and services you offer – and are likely to make a sale.

Search Engine Optimisation (SEO) is another way to increase your business' visibility. In its simplest form, it is the process of designing your website in a way that will make it appear high up in search engine rankings. This includes fine-tuning a range of different elements on your site (both visible and invisible), including using targeted keyword phrases related to your business and ensuring those words are in the site's copy.

SEO is something you can take on yourself – but again, it can be complex and time-consuming, and it can take a considerable amount of time to notice its results. There are a range of web agencies that offer SEO, so it's worth shopping around and doing some research to pick the right SEO package for you.

## Can social networking help my business?

Social networking sites are a very popular way to get online, share information and make new contacts. However, they can also be used in exactly the same way by small businesses: as a first foray online, giving visitors information about your products and services, and as a way to attract new business.

There are now social networking sites – such as [www.bttradespace.com](http://www.bttradespace.com) – that have been specifically designed for small businesses, and allow you to take advantage of the latest web-based technologies to help build your online presence. Tradespaces are free and quick to set up, even for those without any technical expertise. Users simply fill in the details and upload images, logos etc, and choose the community they wish to join.

Each BT Tradespace also includes a blog, photos, podcasts, contact information and maps. You can choose to add extra services like click-to-call functionality or multiple communities for a low monthly fee. In addition to creating an online presence, Tradespace users can sell directly to consumers using the PayPal element of the service to process payments for goods and services securely.



## How can I share ideas with other businesses online?

Whether it's the butcher, the baker or the greengrocer, local businesses have a long tradition of sticking together – to share ideas, promote each other's companies and refer loyal customers. It's no different online.

Using the web – particularly social networks and business forums – small businesses can link up with similar companies to share news and ideas. By choosing a relevant community on BT Tradespace, you can build relationships with complementary businesses while keeping an eye on your competitors.

BT Tradespace also allows you to link to other companies and other companies can link to you. This works particularly well between businesses with similar products and services. So if your company sells paper, for example, it's a great idea to link with a printer or ink seller, to cement a mutually beneficial business relationship.



### CASE STUDY

#### Networking is second nature with BT Tradespace – natural skincare maker gets nearly 2,000 hits in three months

Daisy Diva has reached an audience of thousands through BT Tradespace. The company sells natural skincare products mixed from raw materials by the business's founder, Mandy Allen, who avoids any chemicals that might have harmful effects on the body. Mandy also specialises in reiki, the Japanese complementary medicine, and she founded Daisy Diva to enable people to buy entirely natural products at a reasonable price.

Mandy enlisted the help of her partner, Gary Ion, to make sure Daisy Diva had a great online presence. But while the company's website was still under development, Gary came across BT Tradespace ([www.bttradespace.com](http://www.bttradespace.com)) – a unique and dynamic online community that allows small businesses and individual sellers to communicate with potential customers and partners. The Basic service is free to join, and allows businesses to create and post content and link to complementary businesses.

In the first three months of using BT Tradespace, Daisy Diva went from being a relatively unknown business with no website to getting nearly 2,000 hits. And as well as upping sales, Mandy got an entirely new business contract with a company called Naturalicious, an online organic cosmetics company that was impressed with Mandy's home-made products.

**“When Mandy first started up the business, we were still working on our website – and BT Tradespace was there to give us an online presence,”** Gary explained. **“But after only a month, we realised that Tradespace wasn't just a webpage – it actually allowed other businesses to search for us and for customers to give feedback.”**

**“When Naturalicious contacted us through Tradespace, we realised just how important online networking is for small businesses,”** he added. **“It not only allowed Mandy to gain an important customer, but also make some great business contacts on the way.”**

Now, Gary and Mandy are planning to use BT Tradespace's transactional features provided by Tradespace partner PayPal. This means that as well as seeing what Daisy Diva has to offer, customers can order its products at the click of a button.

**“Mandy mixes all her own products, and she even prints her own labels,”** said Gary, **“But for online networking, we're both grateful for BT Tradespace.”**

## Offices worldwide

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