

Optimize your business

Optimizing your business is crucial to achieving long-term success and sustainable growth by streamlining your operations, enhancing efficiency, productivity and identifying new opportunities.

1: Resolve existing issues



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- Set up demand drop triggers
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- Complete a SWOT analysis

2: Find the bottlenecks



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1: Resolve existing issues

The first step to optimizing your business is to identify any pre-existing roadblocks or issues that are slowing you down. Most businesses can pinpoint what's causing cash flow stress. Now it's time to prevent them recurring.

For example:

- › External factors can cause a sudden drop in demand over which you have no control. Events like pandemics, earthquakes, and legislative changes can impact sales.
- › Late payments are a leading cause of cash flow stress.
- › A rise in the cost of overhead, production, or purchasing can erode profit margins, and customers cannot absorb a price increase.
- › Your business is growing quickly, and you can't fund the growth with your existing level of working capital.
- › Sales have been slower than predicted.
- › Unforeseen fixed cost increases, such as rent or lease costs, have made the business unviable.
- › Technological changes are making your products or services obsolete, such as AI impacting voice-over and translation firms.
- › Other factors, including legal disputes, equipment failures, or economic downturns, can contribute to financial stress.
- › Expensive capital assets such as machinery and equipment, have emptied your cash reserve.
- › Legal disputes or settlements have imposed unexpected financial costs and stress.
- › Problems with suppliers, such as delays or increased costs have disrupted operations and led to additional costs.
- › Global IT cyber security shutdown or threats.

These challenges highlight the importance of proactive planning and the need for adaptable strategies to navigate unexpected disruptions and maintain financial stability.

Solve the problems as fast as possible

Identify the issues impacting your business the most, then dive into solving them and setting up preventative measures to reduce the chance of recurrence.

You should also:

- › Develop a detailed Business Continuity Plan outlining how the business will continue operations during and after a disaster.

- › Regularly back up critical business data and store it in secure, off-site locations or cloud services. Implement robust cybersecurity measures, including firewalls, antivirus software, and employee training to protect against cyber threats.
- › Develop an alternate supplier plan and consider reaching out to these businesses as back-up if your existing supplier can't deliver.

Get insured

It's important to have adequate business insurance coverage for various risks, including property, business interruption, and liability. Without it, you could be exposed to significant financial risks, particularly in the face of natural disasters and climate-related events. These disasters, exacerbated by climate change, are rendering businesses in vulnerable areas difficult to insure.

Set up demand drop triggers

Cash flow or demand triggers are those things that lead to sales which give advance warning that a problem could be ahead if they slow. Monitoring demand drop triggers is vital for identifying early signs of financial distress.

Five signs a business is in distress:

- › Declining or unstable cash flow stemming from numerous factors such as decreasing sales or excessive expenses that surpass the revenue generated.
- › Redundancies, downsizing or low employee morale which can have a profound impact on productivity, an increased workload for your current staff and create fears about job insecurity.
- › Reduced profit margins which reflect the efficiency of a business' operations and its ability to generate profits from sales. A consistent decline in your profit margins suggests that your business is facing challenges in maintaining profitability and may struggle to cover future costs.
- › Growing debt levels and excessive reliance on borrowing. Elevated levels of debt can lead to increased interest payments, reduced borrowing ability and potential credit rating downgrades, making it harder for you to access additional funding in the future.
- › Increasing accounts payable and delayed payments resulting from cash flow constraints or an inability to manage working capital effectively.

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Non-financial triggers may give you advance warning of a deteriorating financial metric, for example:

- › The number of new leads in your pipeline, in-bound queries from prospects, demos, meetings booked, or passing foot traffic slows.
- › You're finding it much harder to close new customers.
- › Fewer repeat business from existing customers.
- › Existing customers are switching to the competition.
- › Your inventory turnover rate (ratio of cost-of-sales to inventory) has slowed which leads to holding too much inventory (or worse, obsolete inventory).
- › Web traffic, social media activity, online queries have dropped.
- › Unhappy employees through increased staff turnover, in-fighting, petty arguments or an over-abundance of sick leave.
- › Falling revenue per employee, which can imply disinterested or bored staff.
- › Increase in customer dissatisfaction, returns, refunds and complaints which hints at poor delivery or fulfilment.
- › Increase in downtime, e.g. staff or machinery, that can be a cause of inefficiency, poor scheduling or mismanagement.

Decide which triggers matter to you, then focus on the handful of drivers that affect the performance of your business, are measurable, can be compared to a benchmark such as last year's figures or an industry average and most importantly, can be acted upon.

In each case, understand the cause and the action you're taking to solve the issue.

Review the levers to pull

Every business has levers that tie to an improvement. For example:

- › The number of partnerships or strategic alliances.
- › Industry levers, for example, companies in the construction industry form consortiums when tendering, agricultural businesses rely on high yields, manufacturers to have machinery operating at full capacity, and professionals billing hours.
- › Qualified traffic from your website.
- › The response rate to advertising.
- › New customer targets and markets you're entering.
- › Introduction of new products or services.
- › Production and quality.
- › Safety and employee wellbeing.
- › Project or cost overruns.
- › Delivery accuracy and completing projects on time.
- › Downtime.
- › Safety or incident rating and the number of accidents.

Decide which levers you can influence and are linked to better revenue and cash flow. Then set about improving each.

Setup red flags

Automate data you want to measure and set thresholds. If an indicator drops below a certain level, this triggers to investigate why.

Accounting software will make monitoring buying trends, cost of goods sold, gross profit, lifetime value and product or service costs easier. Marketing CRM software, search engine and social media platforms will help detect a slowing of demand.

Decide which drivers you want to monitor, set thresholds when to trigger concern, schedule how often you want to review and involve your team.

Complete a SWOT analysis

Conducting a SWOT analysis enables businesses to comprehensively assess their internal strengths and weaknesses, as well as external opportunities and threats. This strategic tool facilitates effective planning, informed decision-making, and the identification of competitive advantages. When you understand these factors, you can develop strategies that leverage your strengths, address weaknesses, capitalise on opportunities, and mitigate potential threats, thereby enhancing overall business performance.

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Step 2: Find the bottlenecks

Identify any inefficiencies or constraints that slow down your operations. These bottlenecks can affect production, sales, and customer satisfaction, ultimately hindering your growth potential. By taking a systematic approach to uncover and address these challenges, you'll free up time and resources to focus on building a more efficient business.

Examine your process flows

Begin by thoroughly examining how resources, information, and tasks move through your business. Bottlenecks often stem from outdated processes or unclear workflows due to a lack of standardized procedures, which leads to delays and wasted effort.

Actionable steps:

- › Map your workflows by creating a visual representation of your processes to identify where tasks pile up or delays occur. Digital tools such as process mapping software can make this step more manageable and precise.
- › Assess how effectively inputs, e.g., raw materials, time, and labour, are converted into outputs, such as finished products or services. Look for areas where resources are underutilised or misallocated.

Taking the time to analyse your process flows will give you a clearer understanding of where inefficiencies lie, allowing you to address these challenges with targeted solutions that streamline operations and enhance productivity.

Actionable steps:

- › Conduct a performance analysis review to pinpoint weak spots in your business operations.
- › Track key indicators like production rates, delivery times, defect rates, or customer satisfaction scores. This data will highlight inefficiencies that need addressing.
- › Implement time tracking so that you can monitor how long specific tasks take and identify where bottlenecks occur due to underutilisation or wasted effort.

When you regularly conduct performance analysis and monitoring key metrics, you will gain valuable insights into where improvements are needed, allowing you to optimize operations and drive greater efficiency throughout your business.

Involve your team

Your employees are a valuable source of insight into operational inefficiencies but can lack platforms to voice their concerns effectively.

Actionable steps:

- › Host brainstorming sessions or create anonymous feedback channels to gather employee insights.
- › Involve employees in improvement initiatives to foster a sense of ownership and collaboration. This can lead to innovative solutions and a stronger commitment to operational changes.

Observe and measure

A hands-on approach is critical to uncovering hidden bottlenecks. Spending time observing workflows and reviewing operational data can reveal inefficiencies that may not be apparent on the surface. Companies effectively using data analytics to enhance workflows can increase productivity substantially.

Actionable steps:

- › Shadow employees to see firsthand how tasks are completed. Pay attention to recurring delays, redundancies, or unnecessary steps.
- › Use software to monitor trends in sales, production, and customer behaviour, allowing you to detect and address inefficiencies proactively.

Directly observing workflows and analysing operational data will give you a deeper understanding of inefficiencies, so that you can make informed decisions and implement improvements before they escalate.

Audit tools and benchmark performance

Outdated tools and systems can significantly hinder productivity. Comparing your performance against industry benchmarks can also reveal areas where you're falling short.

Actionable steps:

- › Regularly evaluate the tools and software your business uses. Replace or upgrade outdated systems that no longer meet your needs.
- › Use industry standards to identify underperforming areas and set realistic improvement targets.

Once you've identified the bottlenecks, create an action plan to address them. Set measurable goals and monitor progress for lasting improvements.

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Step 3: Use technology

Technology helps automate routine tasks, streamline collaboration, enhance decision-making, and improve overall productivity.

Automate routine tasks

Automation is one of the most effective ways to eliminate repetitive work, so you can focus on higher-value activities.

Actionable steps:

- › Automate invoicing, payroll, and data entry.
- › Use chatbots or automated email s for customer service.

Automation frees up valuable time and reduces human error, so that your team can focus on more strategic tasks.

Adopt cloud-based solutions

Cloud platforms enable your team to collaborate seamlessly and access data from anywhere, enhancing the agility and scalability of your operations.

Actionable steps:

- › Use cloud storage to improve accessibility and security.
- › Use platforms like [Google Workspace](#) or [Microsoft 365](#) for real-time collaboration.

Enhance customer relationships

CRM (Customer Relationship Management) tools provide a comprehensive way to manage customer interactions and drive long-term loyalty. Businesses leveraging CRM software experience improved customer retention and more personalised service.

Actionable steps:

- › Track leads, sales, and communications.
- › Use CRM analytics to identify high-value customers and personalise your services.

Leverage AI and advanced tools

AI adoption in businesses is growing, particularly in customer support and data analysis.

Actionable steps:

- › Use AI for predictive analytics, demand forecasting, and customer segmentation.
- › Tools like [Tableau](#) or [Power BI](#) can help visualise business performance and guide strategic decisions.

Intelligence solutions will help you to make smarter decisions by offering deep insights into data, helping to predict trends and improve operational strategies.

Strengthen your supply chain

Technology plays a crucial role in optimizing inventory management, supplier coordination, and logistics. By implementing supply chain software, businesses can improve accuracy and predict demand more effectively.

Actionable steps:

- › Implement inventory tracking systems to reduce waste.
- › Use supply chain software to predict demand.

Supply chain optimisation through technology helps reduce waste and makes sure that your business can meet customer demands without overextending resources.

Improve cyber security

Investing in cybersecurity measures is essential to safeguarding your business from cyber threats and to protect sensitive data.

Actionable steps:

- › Regularly update software and implement firewalls, antivirus programs, and security protocols.
- › Train employees to recognise phishing scams and other common cyber threats.

Support remote and hybrid work

Digital tools allow your employees to work flexibly while remaining connected to your business systems.

Actionable steps:

- › Use platforms like [Zoom](#), [Google Meet](#), [Microsoft Teams](#) or [Slack](#) for communication and collaboration.
- › Equip your workforce with secure remote access to business systems.

Invest in project management tools

These help businesses stay organised and on track, allowing teams to collaborate effectively and meet deadlines. These tools help improve transparency and accountability across your organisation.

- › Platforms like [Trello](#) or [Monday.com](#) allow you to assign tasks, set deadlines, and monitor progress.
- › Use shared dashboards to enhance transparency and accountability.

When you invest in these technological solutions, your business will be better equipped to adapt to challenges, meet customer expectations, and achieve sustainable growth.

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Step 4: Change your business model

If technology or your customers have changed the way they buy or consume, you may need to fundamentally change the way you sell.

Review trends

Start by understanding your current business model, including your key value proposition, customer segments, revenue streams, core competencies and cost structures. Dedicate structured time each month to research and discovery.

Actionable steps:

- › Participate in industry-specific forums and join professional associations that provide trend reports and market analysis specific to your sector.
- › Attend both virtual and in-person trade shows where new technologies and solutions are showcased, particularly those focused on digital transformation.
- › Schedule quarterly meetings with customers to gather direct feedback about changing preferences and pain points.
- › Monitor international markets in your industry to identify trends.

These research activities should inform your strategic planning and help you identify which business model changes will have the most impact.

Leverage technology for transformation

With the surge in digital adoption, implementing the right technology has become critical for business model innovation.

Actionable steps:

- › Implement integrated business systems that connect your customer relationship management, inventory, and financial data to enable data-driven decision making. Businesses that integrate these systems see a significant reduction in overhead costs and time spent on administrative tasks, allowing them to focus more on strategic growth.
- › Utilise predictive analytics tools to forecast demand and optimize pricing strategies based on market conditions. This improves demand forecast accuracy, aiding retailers in inventory optimization and reducing stock-related issues.

- › Deploy automation solutions for routine tasks, freeing up resources for strategic initiatives.
- › Invest in mobile-first solutions that align with changing customer preferences.

Your technology investments should create measurable improvements in efficiency or customer experience. It's how to track relevant metrics for a positive ROI.

Deepen the distribution channel

If you sell through a particular channel, for example, you wholesale to retailers or charge by the hour, there may be opportunities to widen how and what you sell.

For example:

- › On-selling software or services in exchange for a recurring monthly or annual fee.
- › Sell from online marketplaces (Amazon, etc) by posting products for sale, reaching new audiences efficiently and at a low cost. Online marketplaces have been a game-changer for how retailers connect with consumers, offering businesses access to global markets.
- › Retailers expanding into wholesaling products to sell to other retailers can tap into new revenue streams and diversify their offerings. Diversifying sales enables companies to tap into new and untapped markets, exploring different customer segments and geographic regions.
- › Manufacturers could sell through the wholesaling distribution channel or open a direct-to-consumer channel.

Identify how a customer can buy what you sell, then decide if you can play in that space.

Identify new ways of selling

Consumers and businesses have been increasingly moving their lives and operations online. This, combined with the ease and low cost of technology, has led to business model productivity innovation, such as:

- › Drop shipping, where you on-sell someone else's products without buying or holding the stock. Due to the absence of intermediaries in the supply chain, you can have thousands of products for sale and never have to buy, store or ship them.
- › On-demand business model companies like Uber or Lime Scooters charge customers for a product or service only when they need it.

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- › Sharing business models like Airbnb, where the business relies on the sharing, reusing, or rotating resources between individuals or other companies.
- › Online advertising models where you give away information or services for free in anticipation of converting free users into paying customers or picking up online advertising revenue.

Now's the time to explore these innovative selling models, so you can identify new revenue streams and enhance your ability to meet changing consumer demands, all while reducing operational complexities and costs.

Decide when to change

New business modelling can be challenging to implement, but it's essential to stay competitive. A shift may be necessary when you observe competitors or similar businesses in other markets adopting new business processes. It could be a sign that adapting your business model is crucial to maintaining growth and relevance. For instance, many traditional manufacturers have embraced direct-to-consumer (DTC) models, which has allowed them to cut out intermediaries and enhance customer relationships, leading to improved profit margins and brand loyalty.

Before making the shift, it's important to test your new business strategy on a small scale. This approach helps you understand potential challenges and refine your processes before committing to a full-scale change. Research shows that companies that test new strategies first, such as piloting a new service or product line, tend to experience better results.

Actionable steps:

- › Keep an eye on how competitors or businesses in different regions are adapting to market shifts and evaluate if similar changes could benefit your company.
- › Implement changes gradually, such as piloting a new model in a limited market or customer segment, helps you assess feasibility and gather data for improvement.
- › Track key performance indicators (KPIs) to evaluate the effectiveness of your new model, adjusting as needed before a full rollout.

Implementing a gradual, data-driven approach will help you to adapt without risking major disruptions, while making sure that changes are sustainable and aligned with customer expectations.

Tap into your ecosystem

Your business ecosystem includes everyone who benefits from your success.

You should:

- › Map your complete ecosystem including suppliers, customers, partners, and influencers.
- › Identify opportunities for mutual value creation with ecosystem partners.
- › Develop formal collaboration frameworks with key ecosystem members.
- › Create feedback loops to continuously gather insights from ecosystem participants.

Regular ecosystem mapping helps identify new opportunities for growth and innovation.

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Step 5: Get a return on marketing

Improving sales and revenue often solves many business challenges. If more money is coming in than going out, the business should remain solvent, providing time to implement further improvements. Increasing revenue is crucial, especially in times of economic uncertainty. To achieve this, you need to focus on leveraging both existing customers and new opportunities to generate sustainable income.

Sell to existing customers

One of the most cost-effective strategies for increasing revenue is selling more to your existing customer base. Typically, it's 20% of customers that provide 80% of your revenue.

Actionable steps:

- › Identify the customers that spend more, are repeat customers, pay on time, are pleasant and easy to deal with, or provide you with referrals to prospects.
- › Offer tailored promotions to encourage cross-selling or up-selling to these valuable clients.

Contact your customer database with phone calls, emails, visits, social media or e-newsletters with special offers to cross-sell or up-sell to other product lines. If you are brave, tell them why. It's survival.

Lock in customers

Securing long-term commitments from customers can protect your revenue base. Consider implementing contracts, subscription models, or recurring revenue arrangements that make it harder for customers to leave. A recurring revenue model can increase customer lifetime value and enable businesses to grow more sustainably. The goal is to make your product or service indispensable to their business or lifestyle.

Actionable steps:

- › Offer exclusive benefits for long-term agreements.
- › Provide value-added services that are difficult for competitors to replicate.
- › Create digital tools or platforms that integrate easily with customers' workflows.

The more embedded your product or service becomes in your customers' operations, the harder it will be for them to switch to a competitor.

Ask for referrals

Word-of-mouth remains one of the most powerful marketing tools as customers trust referrals from friends and family over other forms of advertising.

Additionally, referred customers are less likely to churn, demonstrating greater loyalty and engagement with the brand.

Some customers will be happy to refer others to your business, especially if they have had a positive experience.

Actionable steps:

- › Ask your best customers directly for introductions.
- › Offer referral incentives, such as discounts or complimentary services.
- › Make it easy for customers to refer others by providing shareable content and links.

Remember that people almost always trust their friends' or colleagues' opinions over a company's marketing efforts. If you've got happy customers, turn them into cheerleaders for your business.

Identify alternate revenue streams

There could be ways to monetise unused or underutilised assets, such as renting out any equipment or space another business may need. There could be intellectual property another business will pay to license.

Introducing additional product lines to an existing brand may help you to increase revenue by selling new items, often with minimal extra costs.

Other revenue streams could be:

- › New variations or extensions of existing products to appeal to different customer segments.
- › Expand the range of services offered, such as adding maintenance, consulting, or customisation services.
- › Consider entering new geographical markets, either locally or internationally.
- › Launch or enhance an online store to reach a broader audience. Creating digital products such as eBooks, online courses, or webinars can generate new streams of revenue and contribute to higher sales.
- › Introduce subscription-based models for products or services to create a steady and predictable revenue stream. These models offer clear advantages for companies looking to build stable revenue streams, develop customer loyalty, and scale effectively.
- › Partner with other businesses to co-create products or services, share resources, and reach new customers.

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Next, look for wider opportunities to increase sales, as some industries or markets will perform better than others. There are several ideas you could investigate including:

- › Approaching new customer segments.
- › Diversifying by branching into new products and services.
- › Moving parts of your business online.
- › Marketing in regions traditionally outside your area.
- › Selling through online marketplaces.
- › Using social media sales platforms such as Facebook, X, Instagram, LinkedIn, YouTube etc.

Do whatever it takes to keep your business afloat until the market corrects itself back to business as usual.

Increase new leads

Driving new leads is essential for sustaining business growth. Emerging platforms like TikTok and Instagram have become effective channels for engaging younger audiences, particularly in small business marketing.

Actionable steps:

- › Attend industry events and conferences to meet potential customers.
- › Re-develop your website for new search engine optimisation opportunities.
- › Develop new distribution channels.
- › Actively promote your business with online advertising, social media platforms, and free trial offers.
- › Run webinars or speak at events.

Each interaction with potential customers increases your chances of converting them into paying clients, so anything you can do to reach new customers is a valid tactic.

Diversify

Identify additional products or services that you can offer to your current customers. Consider partnering with other businesses to broaden your offerings and reach new markets.

Opportunities to diversify include:

- › Partnering with suppliers to sell their products on consignment, reducing upfront costs. Consignment inventory allows you to offer new products without the upfront costs, as ownership remains with the supplier until a sale is made. This approach reduces financial risk and inventory costs.
- › Offering complementary services that your customers may need, such as consulting or support.

- › Promoting products or services from partner businesses to your existing customer base, and vice versa. Strategic partnerships can uncover growth opportunities that would be difficult to achieve alone.

Diversification can help strengthen your business's resilience and open up new income streams with minimal investment.

Repeat your best sales tactics

Identify the sales strategies that have proven successful and refine them to maximise efficiency. Document these tactics to make sure they are repeatable and scalable.

Actionable steps:

- › Develop standard sales scripts for consistent messaging to minimize the risk of omitting key details during conversations, contributing to more effective sales interactions.
- › Have top-performing salespeople train others to replicate their success.
- › Implement a robust social media and online strategy to drive traffic to your website.

When you systematize your best practices, you will improve your team's performance and increase overall sales.

Establish collaborations and partnerships

Strategic partnerships can help you reach new markets, share resources, and enhance your product offerings.

Actionable steps:

- › Identify businesses that target similar customers but offer complementary products or services.
- › Explore opportunities to co-create new products, share distribution channels, or collaborate on marketing campaigns.
- › Partner with businesses that can provide additional capabilities, such as technology, licensing, or research and development.

Collaboration can uncover growth opportunities that would be difficult to achieve alone. It's a good way to maximise your marketing spend and improve sales.

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Step 6: Restructure

If drastic action is required, consider keeping the parts of your business that work and reinvent or re-structure your business to adjust to the new normal. Take a close look at what can be salvaged and then act like a new start-up to build a new, stronger business on the foundations of the old.

Audit and be honest

Gather insights from customers about what they value most. Their opinion can guide decisions on what to keep or enhance. Outsource any tasks that are not part of your core competencies, such as payroll, IT, or customer service, to focus on key business activities. Look for opportunities to innovate within your product line, such as introducing sustainable practices, adding new features, or developing entirely new offerings.

Secure funding

Explore government grants, low-interest loans, or other emergency funding options to provide the liquidity needed for restructuring.

Implement more stringent financial controls to make sure that every dollar is spent efficiently.

Find cash if you need funding to implement any restructuring that will set your business on a new path.

Delete unprofitable product or service lines

Identify which products, services, or divisions are still profitable to focus your resources on these areas. Decide based on hard data such as sales and profitability, not emotional factors like original locations, oldest serving staff or favourite products.

Be as ruthless as you can as the business's survival is at stake.

Close parts of the business that no longer contribute

If some parts of the business are not salvageable, consider selling or closing those divisions while retaining the profitable ones. Being leaner so the business as a whole survives, may require cutting some of the unproductive components of your business.

- › Split the different parts of your business into separate financial revenue and cost centres so you can see which are low or loss-making.
- › Decide if the unprofitable segment has the potential for future profitability through restructuring, or if it's better to exit.
- › Wind down operations to minimise disruption to customers and employees. This could include slowly reducing production or services offered over time.
- › If immediate closure is necessary, communicate this decision carefully and manage the operational impact.
- › Inform employees as early as possible, explaining the reasons behind the closure and offering support such as redundancy, job placement assistance, or retraining. Get HR advice before you do this.
- › Communicate with customers to inform them of the closure, how it will affect them, and what alternatives you can offer.
- › Notify suppliers and partners about the closure to manage expectations and renegotiate contracts if necessary.
- › Sell off assets from the closed part of the business, such as equipment, real estate, or inventory to recover costs.
- › Make sure that the closure complies with local employment laws, environmental regulations, and any industry-specific requirements.

Use the closure to refocus on your core business areas, where you have a competitive advantage and higher profitability. Be proactive in managing any potential negative impact on your brand, so that the closure doesn't harm the broader perception of your business.

Restructuring for resilience

During economic downturns, restructuring has been a survival strategy for many businesses. Leaner operations post-restructuring often led to better long-term performance. By shedding non-essential parts of the business and focusing on core strengths, businesses can emerge more agile and resilient, ready to capitalise on future opportunities.

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Merge or be acquired

If restructuring alone is insufficient, evaluate the potential for merging with another company or being acquired for long-term survival.

Other benefits include:

- › Economies of scale, such as combined purchasing power or shared administrative services.
- › Access new markets and customer bases.
- › Better technology or innovation you couldn't afford on your own.
- › Enhance brand and reputation.

Good examples are:

- › Tech businesses with potential but lack the resources to scale.
- › Accountants and lawyers merging to offer wider services.
- › Manufacturers might merge with a competitor or a complementary business to leverage combined production capabilities.
- › A biotech company may have insufficient funding for further research infrastructure.

You may find merging offers access to more capital, helping you invest in necessary upgrades, technology, or expansion.

Focus on core offerings

Businesses that reduce non-core activities and focusing on their strengths are more likely to survive financial stress. This reinforces the importance of staying focused on the most profitable and strategically important areas of your business during times of restructuring.

Change your staff mix

A restructure most likely means letting some staff go. If they form a large part of your overhead, releasing non-productive staff or deleting parts of your business will allow you to pare down staff costs.

Get specific HR advice before you start the process, as there are rules to follow so that staff are treated fairly. However, you can reduce your headcount if the business is at risk of closure.

Collaborate

Joining with other businesses can increase savings by sharing resources, people, ideas and capacity. The agreement can be formal (a contractual obligation), informal (referring work to each other and verbal agreements), significant (sharing suppliers and long-term customers) or ad hoc (coming together project by project).

Collaborating can help you:

- › Dividing tasks based on strengths and expertise, to focus on areas where your employees can contribute the most value.
- › Faster decision-making as multiple stakeholders can provide input and feedback in real time. This prevents delays caused by waiting for approvals or feedback.
- › Encourages a creative environment to bounce ideas, often resulting in more innovative solutions that may not have been possible in isolation.
- › Introducing new products, services and markets by selling your own range to their customers or distribution channels.
- › Reducing costs by gaining volume purchase discounts.
- › Enhancing capacity to bid on larger contracts by offering broader services or presenting a larger business with enhanced capability.
- › Outsourcing production, so you don't need to spend money on infrastructure.
- › Accessing new business models and ways of selling to increase revenue.

Partnering with other businesses that offer complementary services or products can expand your reach and customer base without a significant increase in costs.

Closing down a part of a business is a challenging decision that requires careful planning, clear communication, and a focus on the long-term health of you as the owner, employees and the wider ecosystem you operate in. By handling the process thoughtfully you can minimise disruption but know that ultimately, the changes you're making are for the better, so you can reinvent and grow in the future.

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Step 7: Find cash

Many businesses experience cash flow challenges annually, particularly during growth phases. This highlights the critical need for effective cash flow management and securing additional funding during challenging times.

If you have decided changes are required which require funding, complete cash flow forecast to determine when you'll run out of cash. Get your financial advisor or accountant to help determine how much cash you need and where it will come from.

You may be able to free up cash within your business by:

- › Selling parts of the business.
- › Liquidating excess inventory or raw materials.
- › Selling machinery or vehicles, or sell and lease back.

Look closely at the business assets on your balance sheet to see what you don't need and what you can convert into cash without impacting core business.

Find internal funds

Before you look for external sources of funding, see if you can free up cash within your business, for example:

- › Offer customers a discount for early payment or ask them to pay upfront.
- › Ask customers to pay by credit card now rather than invoice for payment later.
- › Hold a sale of surplus or slow-moving stock to raise cash.
- › Ask suppliers to take back excess stock or ask for longer payment terms.

Reduce your drawings from the business until revenue improves.

Apply for a bank loan

Borrowing may give you the cash you need to continue, even if it's short-term.

If you already have these in place, there could be potential to increase the limits.

Refinance

If you are currently paying a loan, speak with us about postponing capital repayments and pay only the interest portion of your loan until your business situation improves.

Shorten your cash cycle

The fastest way to see improvements in your cash flow is to tighten your payment policies.

- › Ask customers to pay by credit card.
- › If you have customers paying every month, set up automatic payments so you don't need to keep invoicing and chasing.
- › Perform credit checks on all new customers to reduce bad debts.
- › Keep new customers on a maximum credit limit until they have established a favourable payment history.
- › Ask customers for deposits upfront to reduce your exposure to late payments.
- › Ask customers for progress payments as you go, especially for large jobs.
- › Move from credit sales to cash sales.

You can also add an online banking or payment to invoices with accounting software to speed up the process.

Apply for government grants and subsidies

You may be eligible for government grants or subsidies. These grants and subsidies are invaluable for businesses looking to sustain operations and invest in growth during periods of financial difficulty

Raise capital from investors

If the business is short of cash due to growth and opportunity, raising cash from investors may be possible.

There are many others. Get professional help when deciding to raise capital.

Tap family and friends

You could ask family, friends, or business colleagues to help with a temporary or long-term loan. It's best to put the agreement in writing and get everyone to sign, so that both sides are clear on an agreement. This sort of agreement could strain personal or working relationships if things go wrong, so treat it as a last option.

Optimize your business



Final thoughts

Optimizing a business is not a one-time effort but an ongoing journey. We have outlined seven key areas to help you identify challenges, streamline operations, and explore new opportunities for growth. When you focus on improving cash flow, leveraging technology, diversifying revenue streams, and forging strategic partnerships, you can build resilience in uncertain times and set the stage for future success.

At the heart of every successful optimisation strategy is adaptability. Businesses that remain agile and responsive to changing market conditions are better equipped to overcome obstacles and seize new opportunities. Whether it's identifying bottlenecks in operations, exploring alternate revenue sources, or restructuring for greater efficiency, the key is to act decisively and proactively.

Remember that collaboration, both internally and externally, can be a game-changer. Engaging your team, listening to customer feedback, and partnering with other businesses can identify growth opportunities that might be difficult to achieve alone.

As you implement the strategies outlined in this guide, remember that progress is often incremental. Small, consistent improvements can lead to significant gains over time. Regularly reviewing your progress and adjusting your approach ensures that your business remains on track toward its long-term goals.

Notes

Note

This is a guide only and should neither replace competent advice, nor be taken or relied upon as financial or professional advice. Seek professional advice before making any decision that could affect your business.