



The top ten challenges small businesses face in Jersey

By Sue Sproston, Head of SME sales

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“ 94% of private-sector companies in Jersey have between one and 20 employees so the challenges for SMEs are challenges for the Island’s economy as a whole. ”

Sue Sproston, Head of SME sales



The JT SME team works closely with local businesses every day, so we know only too well that running a small size business presents its own issues and demands, some universal but others very particular to Jersey and our local community.

This short e-book aims to focus on identifying the common challenges growing businesses face in the Channel Islands which we have seen through our work with customers like you. We understand you have more than enough to focus on when growing and driving your business, so we hope this practical guide helps provide some shared insight and helpful tips. We’re proud of the work we do helping small businesses and we hope you find this guide useful as you continue to grow and prosper.

1

Leadership

Small business owners have to juggle hands-on control with strategic leadership. It is often necessary to manage from the front but it is also important to step back to define a long-term plan and enlist support of competent managers and staff through recruitment or by outsourcing. The lack of a plan increases the chances of impromptu expenditure and throwing money at problems. Plans should be revisited and refined and strategies shared with staff. There also needs to be defined measurements of success to assess performance. All this on top of running your business day-to-day can feel impossible.

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USP

Often businesses do not take enough time to decide or even identify what their genuine unique selling point (USP) is and try to compete in conflicting areas, such as lowest price and highest service. Part of the planning process for a new product or service should include a very clear answer to one simple question: 'With all of the products and service available to my customers, why should they buy from me/us?'. Try to work with your team, or even friendly advisors around you to really define what it is that makes you different or your product unique, then focus in on that. Even if it feels like a small point of difference, knowing what you stand for can make a big difference to focus.

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Time Management

In a busy, growing business, being efficient with time is easier said than done. It's important that small businesses make time to consider how to make improvements and find efficiencies. For example, this could be setting up an online system to process and monitor invoices or helping staff to be more mobile, giving them the option of working remotely (also saving on office space costs). Looking to larger businesses for HR policies and business processes is a good start, given many principles are universal. Taking the time to analyse processes to establish a benchmark for improvements is often very beneficial both from a financial and time saving perspective. Take a look at your processes end to end see where you can do things more quickly, differently, or even stop doing them; so releasing yourself valuable time. Assess all options for outsourcing against your time and budget.



Retaining Customers

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Finding and keeping clients and/or customers is key to business development. It can often be “feast or famine” for small businesses but the answer is to create a system for getting and keeping customers in the long term. Satisfied, engaged customers buy more and recommend. Word of mouth is the best form of advertising, especially on an island like Jersey, so looking after your existing base is crucial. Consider loyalty schemes if you can, or perhaps discounts for regular & repeat customers anything you can do to make them stay with you and use your business over another's next time.



Recruitment

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We know that recruiting and retaining quality staff is a challenge, especially on a small island that has limited resources. With further measures to reduce the number of permissions available to businesses to employ newer migrants, this will always be a challenge for smaller businesses especially. Managing employees is key but it can be time-consuming and costly. This all means you should focus on a. finding the right people and investing time in the recruitment process and also b. when you have found the right people keep them loyal ; that way reducing future time and effort on recruitment.



6

Higher Costs

Small businesses also face the high cost of living in the Island, including renting or buying property, and higher costs of imported materials. With new charges, including solid and liquid waste fees for all businesses, to be introduced in 2018. Those producing a lot of waste, such as hotels and restaurants, will be affected further. Make someone in your business the owner of waste management, look at ways to reduce your costs, perhaps recycling more, perhaps introducing energy efficient office lighting, anything you can to keep costs under control.



7

Cash Flow

Managing money is also a key challenge for small businesses. Having enough cash to cover bills is a must for any smaller business, along with finding adequate funding, getting invoices out on time, collections, and credit management. A lack of cash can impact growth or prevent an under-performing company from reversing decline. Good credit control can stop this becoming an issue but some firms are, unfortunately, already shackled by a poor credit rating, regularly through no fault of their own. Take some advice and see where your business can better manage your cash flow. They are many good online invoicing systems for SMEs, do your research and it may save you time and money.

“Having enough cash to cover bills is a must for any smaller business.”

Price

Ask people to pay too much for your product or service and they will stop buying; ask too little and your profit margin slides or customers assume your product is poor quality. Knowing how to price correctly is not easy but understanding the market, accurately working out costs, choosing the right mark-up and being flexible is key to getting it right. Keep an eye on your competitors by knowing both your pricing and theirs you can quickly review your own pricing if the market shifts and make sure you stay competitive.

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Team Collaboration or Outsource?

Writing a bid or proposal is part and parcel of being a small business, but often requires more knowledge and skills than any one person has. This is especially true for technical proposals where the proposal requires a combination of subject matter expertise, customer awareness, copy writing, and presentation skills. It usually requires collaboration and the strength of that partnership is usually directly linked to the strength of the bid, so involve your team where you can – it will also show you value their input and drive engagement. For smaller businesses, often these skills lie outside, so don't be afraid to explore your options externally – outsourcing areas of skill gaps, is not only common but can be a more cost-effective and efficient option.



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The Digital Age

The rise and dominance of the internet and social media has changed the way we all do business.

With 83% of the island's broadband users now connected to JT's fibre network, plus the speed of our 4G mobile network, most business is being done online and on the move and having a robust network and ultimate connectivity is vital to your success. (We can help with this, so call us for a non-obligatory chat.)

A website is now a must, as are adequate social media channels. In mid-2015, social media platform Facebook, overtook Google as the top referral site on the Web. Increasingly, for small businesses with limited resources, social media has been a blessing - free social networks like Facebook, Twitter, Instagram, Pinterest and YouTube have been adopted enthusiastically by businesses for marketing, publicity, customer relations and market research purposes. But the sheer number of tools available can be daunting. The challenge for a business is to strike a balance between focusing too narrowly on limited social networks and spreading itself too thinly by adopting too many. There are lots of local free courses and workshops on such topics, so utilise the connections that are available to you for little or no-cost.



We hope this short guide has been useful. Although this list won't be everything you or other small businesses face, it covers those challenges we see and hear about most often.

We know just how much time and effort it takes to run your business and that's why at JT we've built a specialist team designed specifically to support the needs of small and medium growing businesses.

We understand that you juggle enough and whilst we can't do everything, we can take care of all your telecommunication needs, providing the support and advice you need, so it's one less thing for you to worry about.

It is also why we have launched a bespoke, tailored new product exclusively for businesses which are growing. The NEW JT One for Business package includes your landline, broadband and mobiles, all for ONE low monthly fixed cost and all on ONE monthly bill. Taking, we hope, some of the hassle out of keeping you and your team connected. And leaving you to focus on what's important.

We've been supporting growing businesses for over 120 years now and we hope to help you.

For more information or how we can help support your business and why New JT One for Business could be the ideal product for you talk to one of our team today.

To find out more contact us at:

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T [@jt_business](https://twitter.com/jt_business) **I** [JT Group Limited](https://www.linkedin.com/company/jt-group-limited)

Jersey Business and Digital Jersey also offer help, advice and short courses for small businesses. You can find out more here:

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