

# Business Risk – V1

Doing business is not the same as it was a few years ago. The movement in technology is having a profound effect on every part of our lives. This is not going to change anytime soon. Business risk now goes far and beyond holding insurance for burglary, fire & theft.

The impact on your business comes from many angles. Marketing, sales, human resources, technology and suppliers and customers. The internet has enabled businesses to expand their customer base into the world and with that comes a new range of risks to manage.

Think about the changes you've made in your business over the last twelve months, and then try to imagine the next twelve. Your customers are no longer coming from local geographical areas. They can be from other parts of state, country, or the world.

- Will they still want what you have to sell
- Will what you sell still be relevant, or required
- Have your products or services been effected by changes to the law, changes from technological advancements, or other actions outside your control
- What is the demographic of your customers
- Who are your competitors

Think about the technology you've had to cope with. New software and APPs are being written by the hour. How much time have you spent reviewing and selecting suitable technology to create efficiencies. All this takes you or your staff away from what you do to earn the money in your business. It will directly effect your bottom line if not managed properly.

Then there is security. Not only do we need a lock on the door to our business premises, we also need complex passwords, access restrictions and various scanners on our computers. Consider the value of goodwill of your business that is now captured either in the cloud, or a hard drive. Failure or compromising of these systems would be catastrophic. As you are connected to the world via the internet, so too is the world connected to you via your computer, tablet, or smartphone!

All the changes need a system to monitor and cope with them. If you're unsure as to where to start, then look for a mentor who can help you get the basics right.

The very first step is to get out of your office or workspace, and away from daily distractions. Get an agenda ready and a business partner, trusted friend or your key staff and thrash out the issues to come up with solutions and an action plan.

Your agenda should look something like this:

**Sales** - changes in customer preferences, location, demographics

**Inventory** - how to move outdated items, future trends in the items or services you sell, obsolescence, product improvements or advancements, inventory levels/turnover

**Marketing** - when, where, who and how much. New avenues of advertising and changes to cost structures of current advertising and marketing. Is there a better way of reaching your market?

**Technology** - start with efficient use - is there a better way? Security procedures, access by staff and customers, backups, hardware, software, APPs.

**Staffing** - selecting & contracts, human resource management, safe workplaces, updating skills of workers, finding new efficiencies through updating procedures

**Strategy** - where are you headed in terms of growth. What resources will you need to get there.

**Review** - schedule smaller strategy meetings during the year to measure progress, or implement changes as necessary.

Customise your agenda to fit your business. Setting aside at least one day per year is a minimum, and the meeting must be held away from your business premises to promote focus, creative thinking and brainstorming.

Take care of your business so it can take care of you!