

5 of the Biggest Problems Facing Business Owners Today

It's easy to get depressed if you read the latest headlines. 'Business confidence hits a new low.' 'UK heads for triple-dip recession.'

Although these headlines may be necessarily sensationalist, the fact remains that every piece of good news about the economy is balanced by another piece of bad news. So what are the issues that are really concerning businesses at moment? We've listed five which often crop up in our conversations with clients.



1. Uncertainty

If there's one thing that both stock markets and business owners like it's certainty. Stock markets want to know there aren't any nasty shocks round the corner, and business owners and directors like to be able to plan ahead. Unfortunately, certainty is one of the main things lacking in the current economic climate and as a consequence businesses are focusing on the short term instead of long-term planning.

There is still considerable disagreement over whether the Chancellor is pursuing the right course and not a week goes past without Europe facing another crisis and a further raft of shop closures hitting the High Street. In the circumstances it's hardly surprising that businesses are unwilling – and unable – to plan for the long term. If we could wave a magic wand, certainty and stability would be then one thing we'd bring to the UK economy.

2. Globalisation and cost-cutting

Globalisation was supposed to be good news – and in some respects it is. New markets are opening up all the time, and there's a chance to source materials and services from countries where the cost-base is much lower. But there's another side to the coin as well.

Whatever you make, or whatever service you supply, the chances are that someone, somewhere does it cheaper. With several websites now offering to source suppliers from all over the world (and consumers becoming increasingly aware of them) competing on price alone is becoming a short cut to trouble. As the old saying goes, people remember the quality long after they've forgotten the price and we would be very wary of advising anyone – especially a service business – to compete solely on price in the current global market.

3. Regulation and Red Tape

Every new Government makes a promise: 'we'll remove the burden of bureaucracy and set business free...' But somehow, it never seems to work out does it? Clients tell us that they're labouring under just as many regulations as they ever were: whether it's Health and Safety, Employment Law or sundry other compliance demands there always seems to be a new hoop to jump through before you can finally sell something.

Sadly we can't affect Government policy, but we can offer two pieces of advice: familiarise yourself with the regulations that affect your industry – and comply with them. Sadly, the penalties for non-compliance with the rules and regulations are getting ever more severe and they're being ever more sharply applied. There is simply no point in landing your business with an unnecessary fine or penalty through non-compliance or neglect. Bite the bullet and do what you need to do.

4. Keeping up with technology

First businesses needed a website: then they needed a Facebook page: then Twitter... The list of new developments in social media that you simply have to embrace shows no sign of stopping. It's not just methods of communicating and spreading your message that are changing either: manufacturing, sales and distribution are also changing, particularly as established businesses face more and more competition from the developing world.

Unsurprisingly, business owners feel under pressure to keep up with changes in technology and innovation – but the pace of change means that they are often unwilling to invest in technology for fear of finding it obsolete as soon as they've spent the money. There are also staffing issues – a company can either stay informed about emerging technology or master the current technology – it rarely has the resources to do both.

5. Information overload – and time

As if the flood of new technology wasn't enough, business owners also face being swamped by information. Every day there are e-mails we need to read, blogs with useful information, podcasts, articles in the media...

You could very easily spend all day keeping up to date with information and never do any work. Small wonder that despite the huge number of 'time saving' systems, programmes and websites around, business owners complain of having less time than ever.

In our experience, while it might be tempting to cross off a few unimportant things to make your list look more manageable, the most basic time management principle of them all still holds good. Do the most important thing on your list and work at it until you've finished. Then move on to number two...

Those five problems are the ones that clients mention to us over and over again. We can't solve them, but we can make a promise. We're always here – and we'll do whatever we can to help.