

Winning in recession

A practical guide on how to respond to the downturn

It is now clear that we are in the midst of one of the most difficult set of economic conditions for several decades. There is probably little individual organisations or businesses can do with regard to controlling or influencing the state of the economy at the macro level. However, they can have some control on the way they respond to such an economic slowdown.

Tourism South East has been reviewing what the recession is going to mean for businesses across the whole visitor economy and how it can provide assistance both directly or in signposting to other key support agencies and initiatives.

The main problem areas for businesses can be categorised into the following areas:

- Increases in costs
- Slowdown in trade
- Increased competition
- Limited access to credit and investment capital





TSE'S COMMERCIAL DIRECTOR, NIGEL SMITH, PROVIDES THE HEADS UP ON THE CURRENT ECONOMIC DOWNTURN AND HOW TSE AND ITS PARTNER AGENCIES CAN HELP.

Managing Your Costs...

Try not to be too draconian in cutting costs - it might lead to a reduction in quality and could also damage staff morale. However, there may be opportunities to make the business leaner and fitter. Involving staff in bringing forward ideas on reducing waste and unnecessary costs could be useful.

Look very hard at efficiency savings on basic energy costs – light, heat, water - and at the same time do your bit for the environment. TSE has a plethora of advice available on sustainable practices that also help your bottom line see www.industry.visitsoutheastengland.com/site/business-advice/sustainable-tourism and between January and March there are a number of FREE Green Advantage courses being run throughout the region that will enable you to implement practical actions to boost business profit and performance. Visit www.industry.visitsoutheastengland.com/site/skills-and-training/training-courses/green-advantage for more information

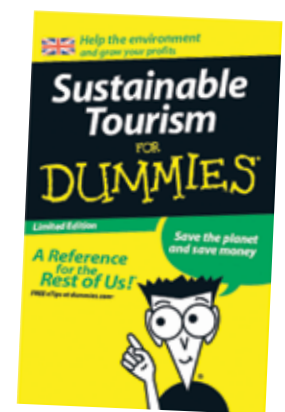
Carbon Trust offer small businesses between £5k and £200k interest free loan for improvements in energy efficiency. This is a chance to invest in improving the energy efficiency of your business, saving money and 'going green'. For more details look at www.carbontrust.co.uk/energy/takingaction or email sustainability@businesslinksoutheast.co.uk.

One of the biggest costs can be your premises – check with your local authority about payment options on rates or if you qualify for rate relief. There may be the opportunity for payment holiday options on your mortgage or premises loan. TSE members can access the services of Commercial PLUS (the back cover) a highly reputable commercial property consultancy to identify best rate commercial mortgages, securing asset finance, negotiate rent reviews and lease renewals, prepare energy performance certificates and optimise utility supplies. To save cost on maintenance or refurbishment you may have to consider doing some work yourself and TSE currently has a special discount scheme for its' members with Argos and Homebase. For more information visit www.industry.visitsoutheastengland.com/site/benefits-of-membership/new-membership-benefits

Staff costs tend to be the single biggest cost to a business but don't necessarily jump to the conclusion that you have to make staff redundant immediately. Try to look at staff in terms of the profit they generate and their contribution to the services you provide. There may be other options – review whether your staffing levels and hours are correct. You could consider reducing overall hours so you retain key staff. Are your staff realising their potential? Investment in raising skills in existing staff may help improve performance – TSE can, through its' Skills Network, undertake a FREE Training Needs Analysis (TNA). Take a look at www.industry.visitsoutheastengland.com/site/skills-and-training/tourism-skills-network-se/co-ordinators to help you identify specific up-skilling opportunities. But remember staff have many rights and terminating or changing contracts of employment must be done professionally and legally – if you are a member of TSE and have fewer than 250 staff you have access to a FREE Human Resources Business Adviser website containing advice and resources on HR and employment law.

Visit www.industry.visitsoutheastengland.com/xsdbimgs/HRBusinessAdviserMemberBenefit.pdf

Review arrangements with existing suppliers and have a general look at alternative suppliers – remember you are not the only business that is being effected by the recession, it is very competitive out there! But don't change lightly - reliability, credit and quality still matter. TSE members can take advantage of FREE membership to the IPA purchasing consortium which offers them preferential terms from suppliers to the hospitality and licensed sectors.



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Keep the Cash Flowing

Ensuring a steady flow of cash into the business is crucial and a simple accounting package like Sage or Quickbooks will give you the information you need to identify impending problems. HM Revenue and Customs (HMRC) offers different schemes for paying your VAT, including the flat rate, see www.hmrc.gov.uk.

In an increasingly competitive environment are you getting the best deals on insurances and credit fees? TSE members can get discounted rates and a state of the art chip and pin machine with Barclays Business and discounted Insurance with Windsor Lloyds Brokers. You may be able to restructure or renegotiate loans to reduce payments or take payment holidays. It is always worth talking to your lenders, it won't benefit them if you go bust.

If the recession actually provides you with opportunities to invest, SEEDA, the Regional Development Agency, is offering NEW grants for Business Investment to help businesses increase productivity by funding capital investment in equipment and technology. The scheme is for businesses seeking to expand, modernise, rationalise, diversify

and increase productivity in order to maintain or establish sustainable growth and provide skilled jobs. Take a look at www.seeda.co.uk/Global_Competitiveness/Funding_&Advice/Grant_for_Business_Investment

Encourage advance payment – taking them online facilitates getting the money at the time of purchase. If you are an accommodation provider look to take deposits – self catering can take 100% pre arrival but this can also apply to serviced providers and is actually preferred by some customers as it hastens departure.

Focus on Good Customer Service

Don't compromise on quality – in a recession tourism consumers will become more value oriented and will seek benefits such as reliability and take less risks. Moreover, satisfied customers cost less to service, are less price sensitive and recommend you to others.

Raising the level of service of your staff is an effective way to raise quality. Also engage your staff in changing the way the business works – make them feel involved and it will motivate them and improve morale. TSE can provide a range of training courses through the Welcome to Excellence suite of Customer Care courses to help you improve overall staff performance. Visit www.industry.visitsoutheastengland.com/site/skills-and-training/training-courses

If you want to ensure that you are meeting the expectations of people with disabilities or special needs then Welcome All gives you practical advice on how to improve accessibility and communicate effectively, as well as explaining key aspects of the Disability Discrimination Act. For a limited period TSE is offering the 'Welcome All' training course for only £20 for members (previously £42.50) and only £42.50 for non members (previously £85). Visit www.industry.visitsoutheastengland.com/site/skills-and-training/training-courses/welcome-all

TSE is also offering FREE Advisory visits to businesses to discuss how they might benefit from the National Quality Assurance schemes run by the AA and Visit Britain. Please contact Gemma Flood on 023 8062 5521 for more information and to check availability.



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Don't Stop Marketing

During lean times you will need to work harder and smarter to generate sales so be creative and focus on what works best. Your existing customers are your hottest leads so building a customer database (preferably email) and establishing ongoing relationships will probably bring you your best returns. But don't overuse it and do update it regularly. Also consider new opportunities and think more about special promotions that focus on value as opposed to simply looking cheap. Once you get interest use up-selling techniques to create even greater value – turn a one night booking into three nights for the price of two.

Make sure you update your website regularly - it gives you the opportunity to change your information and price as often as you like, depending on demand. If you don't already, give serious consideration to online booking

and placing your availability with bookable websites. Check whether your local Council tourism department can help – it is usually commissionable but 90% of something is better than 100% of nothing! Make sure your local Tourist Information Centre is familiar with your facilities and knows your availability. TSE provides training support on emarketing techniques. Take a look at www.industry.visitsoutheastengland.com/site/skills-and-training/training-courses

TSE is running a special campaign throughout the early part of 2009 to boost business (see page 9) as well its normal promotions in the UK and overseas.

For a different take on ways of promoting your business TSE members are eligible for a FREE consultation session with Pure Brand

Media which specialises in producing quality creative audio content for business marketing and promotional use or you can get your own unique e-brochure from specialist marketing agency EBXP for £250.

The new phenomenon of social media is proving to be an exciting marketing tool. TSE provides training FREE or heavily subsidised on e-marketing including social media.

Contact Michelle Grant on mgrant@tourismse.com or tel: 023 8062 5437

Don't be afraid to ask for help

There are a number of public agencies that have been commissioned to help businesses through the recession but don't forget your own local business networks and your Local Authority Tourism Office and/or Tourist Information Centre who will be able to give advice or take collective action (see page 17 for more details).

A key part of surviving is to take advantage of support and funding now coming through from various public agencies.

Business Link, in particular, offer FREE Business Health Checks. There is also an online business health check tool, which helps businesses to evaluate their finances and administration. To find out more, visit the Business Link website www.businesslink.gov.uk/businesshelp, or call 0845 600 9006.

TSE have collaborated with Business Link to jointly market and deliver FREE 'Small Business Reviews' in Sussex, combining TSE's vast sector knowledge with Business Link's brokering capability and high profile to advise on legislative and regulatory changes, business management, employment law, provision of facilities for the disabled and industry support networks. This offer is about to be extended to

Surrey. For more information, please contact Gemma Flood gfflood@tourismse.com or 023 8062 5521.

Keep your eye on the TSE training website for specially created credit crunch workshops in your area: www.industry.visitsoutheastengland.com/site/skills-and-training.

TSE offers a Business Advice Handbook, aimed at start up or existing B&B or self catering businesses. The Handbook covers a suite of topics, including; Finance, Planning, Legislation & Regulations, Quality Assurance, Marketing & Promotion, the tourism industry structure, TSE support services and case studies. The Business Advice Handbook is available for £25 to TSE members (£35 to non members) including postage & packaging from Gemma Flood gfflood@tourismse.com or 023 8062 5521.