

Dear Client,

Welcome to our monthly newswire. We hope you enjoy reading this newsletter and find it useful.

Best wishes

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OUTSOURCING HUMAN RESOURCES

In today's challenging business environment, many businesses are turning to outsourcing as a way to reduce costs. It is not uncommon for firms to outsource functions such as IT, payroll, back office functions etc. Now, however, firms are beginning to consider the potential of outsourcing human resources (HR).

The benefits to a business are simple: lower operational costs and increased efficiency, as the outsourced provider will generally commit to a service level agreement (SLA). However, is outsourcing HR really a viable business solution?

Reduced Costs

A business can save money by outsourcing HR: tax contributions, employee benefits, desk space etc can all be saved as a result of removing the need for direct employees. In the quest to secure the best value for money, some businesses outsource their HR function to offshore firms that have considerably cheaper labour costs than the UK. This saving can then be passed on to the client.

More Efficient Service

Because of the specialisation of these third-party service providers, the quality of service required by a company can be met consistently. In an outsourcing scenario, front line services would still need to be delivered in the UK (assuming this is where the business is based). However, customer service, back office functions etc can be delivered efficiently from offshore locations using high speed internet connections, phone systems, video conferencing, email etc.

Just like any other aspect of running a business, outsourcing HR has its positives and negatives. The positives, as we have identified, are the cost savings and increases in efficiency. On the negative side, outsourced HR people do not know the business as well as an in-house HR team would. As a consequence, they won't understand the strengths and weaknesses of the firm's team and may struggle to deliver real value.

SAMSUNG GALAXY S4

Samsung's Galaxy S3 was one of the most popular phones of last year, rivalled only by the iPhone. It played a huge role in establishing Android devices in the business arena.

Samsung recently unveiled the Galaxy S4, a phone boasting specifications to make even the most ardent tech lovers draw breath. Its features include a huge 5-inch screen packing full HD, a powerful quad-core processor, 2GB of RAM, a host of Samsung software extras, a 13-megapixel camera and 4G connectivity for super-fast data speeds.

In smartphone Top Trumps, the S4 challenges the competition on every level. However, this means that it comes with a top-end price; a SIM-only handset will cost over £500. Fortunately, the phone is being offered by all major networks on a range of plans and most business users should be able to get a subsidised handset from the provider.

With this latest model, Samsung have taken each aspect of the already excellent Galaxy S3 and upgraded and improved it. Its 5-inch, full HD screen is the best in the business and the quad-core processor has been given a makeover to increase its speed. The device comes complete with a host of Samsung software, and the built-in camera offers a 13-megapixel resolution.

The phone's main weakness is its plastic design, which hasn't seen much of an update from the S3. It doesn't boast the build quality or classy appearance of the iPhone 5 or Blackberry Q10. Moreover, the S4 isn't as user friendly as an iPhone, and most business people will be more familiar with Blackberry or iPhone devices.

If, however, you want the best-performing phone in your pocket, the Galaxy S4 is probably the device for you. Bear in mind too that now the S4 is available, the price of the S3 is likely to drop. It doesn't have the outright power of its big brother, but it's still a fantastic and very similar phone that's well worth a look if you don't mind having slightly older kit in your hands.

In conclusion, the Galaxy S4 is a viable alternative to an iPhone 5 or a Blackberry Q10 / Z10.

ADAPTING TO CHANGES IN THE MARKET

Due to the turbulence of the current economy, businesses today are having to adapt to constant market shifts. The businesses that adapt best to this “new normal” will thrive as the market improves over the coming years.

Every market changes, but some change faster than others. For example, the iron ore industry moves much slower than the high tech or publishing industry. Established franchises can disappear if they fail to see, accept and respond to market changes. Microsoft were slow to respond to the rise of tablet computing, and cannot compete on price in the cloud sector of the market. Many magazines have been slow to respond to the web and the growing popularity of tablets such as the iPad. However it is interesting that most major IT and technology magazines went 100% digital well ahead of other titles.

So, the market is changing and the economy is turbulent. As a business owner or manager, what can and what should you be doing in the current business environment?

Two indicators exist to tell you when a trend is undeniable and will change your industry. The first is simple – good old fashioned economics. Monitoring supply and demand for products or services over time will allow you to spot trends in the market. If you can adapt in order to create a value proposition which appeals to the consumers who are driving the market trend, you could create a niche for your business.

The other indicator is customer preference. It doesn't matter if the value proposition of one product is better than a competing product if the customer doesn't want it. A good example here is digital music players. There are plenty of music players on the market that are far superior to the iPod. However, the majority of customers prefer the iPod; not because it is cheaper, better or offers great value, but because the brand is seen as “cool” and the device benefits from customer preference.

In summary, business owners and managers need to recognise changing trends in their respective markets and then respond effectively within an appropriate timeframe. The cost of adapting your business is a risk, as no market manoeuvre is free. However, costs can be projected and risks can be managed. The risk associated with being at the head of the pack is far less than the risk of being left behind if you fail to adapt to market changes at all.

PR PROGRAMMES MUST HAVE OBJECTIVES

In order to maximise return on investment, PR programmes should serve an actual purpose. PR for the sake of PR will most likely fail to produce a tangible result. Instead, each PR programme your business undertakes should tie in with at least one strategic objective of your enterprise. For example, your strategic objective could be to target more customers in a certain socio-economic group, or to encourage a repeat purchase.

As an industry, PR is packed full of creative people who can generate unique ideas to help you. However, all of this creativity means very little unless it is working towards a specific purpose. The starting point for any campaign, therefore, must be to identify what the commercial objectives of the business are. Business owners should consider “what success looks like” if everything goes to plan; the business should then be able to measure or quantify that success. Only at this point should you get creative and come up with the ideas to create the standout PR campaign that the business needs.

An effective PR campaign will capture the attention of the media, as well as the interest of your clients and prospects. Such a programme should aim to engage with the target audience and communicate a “call to action” in order to help the business achieve its objectives.

Remember that the profile of your brand is critical to your success. Increasingly, consumers buy products and services from companies because they value or respect the brand. Customers tend to look at the detailed features and benefits of a product or service second. The key, therefore, is to make your brand your target customer's first choice.

Your business must live up to its brand promise and deliver what clients expect it to deliver. Your PR programme should reinforce this.

Please contact a member of our team if you would like to discuss any of the issues raised.