CHAPTER FIVE

Getting the Most Out of Technology and Systems

“It’s a fair bet that your most useful gadget is a smartphone, but these devices can do so much more than send messages and receive calls.”

All businesses use technology in one way or another. Today, it's a fair bet that your most useful gadget is a smartphone, but these devices can do so much more than send messages and receive calls. They are the new personal organisers, capable of running complex systems and growing businesses.

New software and apps let you organise, communicate and prepare. There are apps for HR, payroll, invoicing and 'customer relationship management' or CRM. Adopting and mastering just a handful of these tools gives you power to organise your business, making it leaner, more efficient and potentially more profitable.

Any software worth its salt should allow you access from any device – password-protected, of course. It should let you share access, or bits of information, with other team members and the information you input should be updated in real-time, so that everyone is kept up to date with the changes you make.

"Last year we introduced a digital signing system. The overheads on this were quite large but it's much, much easier than getting people to sign and return documents. All employees can log on to the online system and see when a customer signed and what for without trying to track down the paperwork. We work across multiple locations and this has really reduced internal phone calls."

– Adam Allsop, The Shutter Studio Ltd

SUCCESS STORIES

Name: Adam Allsop
Business name: The Shutter Studio
Type of business: Bespoke shutters and carpentry
Number of employees: 21

How did you get started in your trade?

"I started working on building sites as a teenager and learnt the basics of everything, but woodworking was the only thing I really enjoyed. Everything followed naturally from there."

Has the business changed since you started?

"Clients have a lot more information now compared to when we started. They've done their research online so it's important to know your products inside out."

Describe your typical customer and project.

"A typical project will be for a proud homeowner who wants to spend some time making their space something that truly works for them and reflects them. We do a wide variety of styles and products, but the care taken for the customer is always the same."

What do you enjoy about your career?

"I enjoy seeing ideas come to life. You can't underestimate the impact of seeing something you collaborated on and built, installed and ready to go."

What's the hardest thing about it, or the biggest challenge you face?

"It's bit of a cliche, but we're squeezed from all sides by taxes. Fuel duty is a major one, and business rates have gone up for all of our business locations."

What are your plans for the future?

"We've just started a sister organisation, The Carpentry Studio, so the next step is to build the brand and reputation to the same size as The Shutter Studio."

What's your best tip for other tradespeople in your sector?

"Always be thinking about how you can make life easier for you and the customer. Cutting small bits of friction where you can will get you huge savings in the long run."

Here are just a few business functions that can receive a real boost from technology:

CUSTOMER RELATIONSHIP MANAGEMENT (CRM)

It costs a lot more time and effort to attract new customers than it does to retain existing ones, so 'managing' your customers is vital. Good CRM software should be accessible by a modern mobile phone and should cover important tasks such as:

- storing customer contact details
- handling all kinds of communication
- scheduling meetings, pitches and projects
- managing teams
- creating special offers and discounts.

There are a lot of products to choose from, many of which – including HubSpot, Salesforce, Bullhorn and Capsule – offer free trials, discounted offers for small businesses or are even entirely free to use. It's worth picking a few of these and trying them out before deciding which is your favourite. One thing's for sure, it beats writing everything down in a notepad!

"In the first year, paperwork was overwhelming – from gas reports to invoicing, quotes and landlord reports. I downloaded a free app which lets me produce gas reports and invoices before I've even left a customer's property. I've used apps to register boilers and order my stock.

"I used to carry a few different handheld devices, from distance-measuring tools to thermal imaging cameras. I invested in a CAT S60 mobile phone which brings most of these things into my mobile phone. It lets me produce professional reports to customers and even include thermal images of problems. This reassures them that what I'm saying is the truth and so far 100% of the customers I have produced reports for have given us the work."

– Jordan Williams, JR Williams Plumbing Services Ltd

"Over the first year of the business I've developed a system of integrated online apps to automate and streamline many of the standard processes of the customer journey.

"These processes extend to: management of the customers' information in a CRM; their stage in the deal pipeline and self-scheduling of surveys and installations, complete with automatic follow-up and reminders. It also helps to generate quotes and invoices and dispatch subcontractors.

"This high level of automation, coupled with the near total elimination of any duplicate data entries, has made it possible to successfully coordinate so many installs within one year. In an industry not generally recognised for its high level of adoption of computer technology, this approach has given us an advantage."

– Andrew Johnstone, Loft Boarding Scotland Ltd

HR

Many top business thinkers believe businesses should put their staff ahead of their customers. If workers are happy, the theory goes, then customers will benefit hugely from an engaged, enthusiastic and well-trained workforce.

Whether you agree with this principle or not, it's unarguable that managing your people – hiring and firing, payroll, holidays, sick leave, performance, benefits, training and team activities – is a vital part of a well-oiled machine.

Luckily, there is a huge array of software that can do the job clearly and easily, with intuitive designs and simple ways to input new data. Products like breatheHR, SMB, Cascade HR and Youmanage have been created to store reams of information in simple formats.

They are low-cost, often based on a subscription model, and flexible, giving you the option to scale up staff numbers as the business develops. It beats working through a cluttered spreadsheet. Run a search online for a huge list of options.

"Other than the normal computer software to communicate, produce estimates and invoices, I use a basic PAYE tool to keep connected with HMRC. Once you know how to use this, it gives you peace of mind and keeps you on track with payments. The overriding piece of technology for me is Checkatrade – it serves as advertising and reporting, plus it really does 'pat you on the back'."

– Jane Pennock, Us Girls Decorating Ltd

FINANCE

Finance covers a range of money-related issues, from accounting and invoicing, to securing a loan and winning investment to grow your business. In chapter 7, we'll look at this in more detail – in this tech-

focused chapter we'll just cover the growing suite of apps that put you in full control of your finances.

It's often said that cash flow is king. Plenty of good, viable businesses go to the wall every year because invoices were paid late or too much money went out before payments came in, so keeping a close eye on your cash is key to building a sustainable business.

As with CRM and HR there's a good choice of finance apps (over and above what your bank can supply), so it's worth shopping around and finding the best fit.

Invoicing and accounting

Big platforms in invoicing and accounting include market leaders like Xero and QuickBooks, as well as newer offerings such as Wave and KPMG's small business software. Prices and functionality vary, but the base level is a full picture of your venture's financial health.

That means the ability to create, send and track invoices, view cash flow information, log expenses, track vehicle mileage, run a tax self-assessment, track and pay VAT and run your payroll – all from a desktop computer, tablet or smartphone.

"We spent a lot of time and money developing our own CRM system. This helps the business massively, as every single customer is guided through a smooth process for whatever job they are having done. The CRM makes it easy for our install department to manage multiple jobs and make sure all payments due are collected on time and efficiently.

"We also manage a separate diary for salespeople, fitters, surveys and lead management. It's a huge asset to our business and will allow us to continue our rapid growth."

– Alan Gough, Warmglow Home Improvements Ltd

Expenses

Claiming expenses can be a tricky affair for staff. Often they have to buy materials or pay for transport out of their own pockets before billing their employer later on (with fingers crossed that the boss will agree it's a viable spend).

But there are apps available to do this process automatically, before someone has to dip into their own cash. Concur is a good example of such software; it lets users book work trips and submit expense claims to be approved by a manager.

For businesses that do a lot of travelling, the app can be used to negotiate preferable rates for trips, particularly airfares. One for bigger businesses, perhaps, but worth keeping in mind for discounts down the line.

"We use Sage One to run the business accounts. We can run the payroll, as well as all invoicing and bookkeeping. We have considered using a card payment service at some point, which is also available through Sage One.

"We also use Moneypenny, as a PA call-answering service. This is important, because some customers may not always leave a voicemail. We also have a landline directed to my mobile phone. This looks more professional for online advertising, as opposed to a mobile number."

– Chris Jones, LSW Decorating Ltd

Closing investments

If you have real ambition for your business, you might consider raising an equity investment, meaning convincing a person or fund to invest in your business in return for a stake in your venture. Not many private equity or venture capital houses feature an app, but increasingly crowdfunding companies do.

Crowdfunding companies put you in touch with large groups of private investors who can plough in money from £10 to the total

amount you require. Organisations like Crowdcube, Seedrs and Crowdfunder all offer either apps or mobile-friendly websites, so you can track investments in real time on the go. For more on raising money, check out chapter 9.

As well as apps that are great for general purposes, there is of course a wealth of technology – hardware and software – that helps tradespeople do their job faster, more efficiently and to a higher standard. The list is too long and varied to go into here; suffice to say that it's always worth keeping an eye out for digital tools of the trade that can boost your business.

"Investing in 3D rendering software to produce photo-quality renders of what completed projects will look like has been an excellent move for us, almost replacing the need for a showroom. We stock samples of tiles, flooring and doors so customers can see and feel the real thing in their own home.

"We have also invested in a quote system that allows us to easily and quickly produce quality, clear and branded quotes."

– Chris Fairbairn, Cribbit Installations Ltd

VEHICLES AND EQUIPMENT

They say a tradesperson is only as good as their tools. This is half right, in that good equipment leads to an easier job, a better finish and impressed customers. As mentioned in the 'branding' section (chapter 2), first impressions count and people will want reassurances that you're up to the job.

A muddy, unbranded van with a messy driver's cabin is the worst possible start, as is the sight of a tradesperson struggling over tasks with old or otherwise inadequate kit. Think of new tools as more of an investment than an expense. They will pay you back many times over their lifetime.

"A good van with a bright, attractive design is important for a brand, as well as also being free advertising and looking professional."

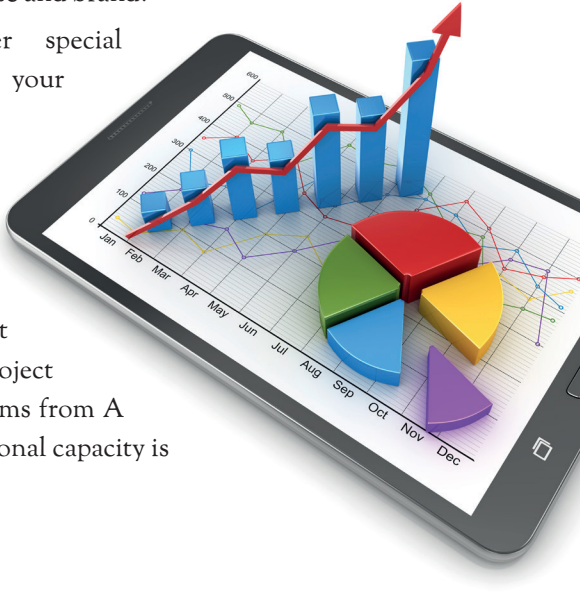
– Chris Jones, LSW Decorating Ltd

Make sure you get adequate insurance and, if possible, lock up your equipment in a secure place (not your vehicle) overnight to avoid falling victim to opportunistic thieves. If you have to leave tools in your van, be prepared with good locks and a modern alarm – better safe than sorry, as they say.

Let's start with your transportation. Commercial vehicles are a big area of business for major manufacturers, which means there is a lot of competition in the market. Top brands include Fiat, Volkswagen, Ford and Vauxhall, with many more besides.

Key considerations for purchasing a vehicle include manufacturer reputation, fuel consumption, ruggedness and cubic space. It's a good idea to ask a few questions before you sign on the dotted line:

- How much space do you need?
- Are most of your jobs local, regional or national?
- How much does it cost to tax and insure the vehicle?
- Will it be easy to customise and brand?
- Are there any other special requirements unique to your business?



When making your decision, remember to factor in large jobs which might require a little more of everything. You don't want to have to pass on a project because you can't move items from A to B, although hiring additional capacity is an option in such cases too.

When you know what you want, next comes the thorny issue of paying for your new vehicle. A large transit van could set you back £20,000 + VAT, while a smaller 'courier' size vehicle can start anywhere from £10,000 + VAT.

This is clearly a major outlay, especially if you're building a fleet for a growing business, but luckily there are numerous ways to pay other than settling the full price upfront. All vehicle finance packages essentially mean spreading the cost over time, in return for interest or a fee that goes to the finance company.

All finance companies from banks to specialist providers will conduct background checks on your business to be sure that you are capable of making the repayments. They usually need to view records of sales, turnover and expenditure as well as profit-and-loss accounts. Some will ask that you meet them in person to discuss requirements and eligibility.

Here are a few options:

Bank loan

A standard bank loan might be the best option for a few reasons. The first is that banks often offer competitive rates of interest that won't vastly increase the unit price of the vehicle. Secondly, you probably have an existing relationship with a bank and may have agreed some kind of finance package with them in the past. Thirdly, there could be room to negotiate on your deal if you are a good customer that the bank values. This is especially true if you regularly borrow money to invest and have an excellent track record of timely repayments.

Of course, you don't have to settle for your existing bank. Shopping around might uncover better deals and you might be able to take advantage of special introductory offers or other incentives from rival institutions that want your business.

"My only loan was the purchase of my van and its sign writing. My bank supported me in the money and a small local company (TT Signs) took my ideas and produced a van to be proud of."

– Jane Pennock, Us Girls Decorating Ltd

Motor company branded finance

Commercial vehicle brands usually offer their own packages, often managed by a third-party finance supplier. This will come with a range of incentives designed to compete with the banks.

Dealing direct with the manufacturer has its advantages. For example, you could negotiate a discount on the list price in return for a package, especially if you need to acquire more than one vehicle at once. The deal might include free insurance and maintenance packages, options on the term, free vehicle disposal and a flexible contract that can be extended if needed.

Specialist vehicle finance

The benefit of specialist companies is the range of different deals they offer. You could go for hire purchase, which spreads payments and means you can keep the vehicle after all the instalments are completed.

A 'sale and lease back' arrangement means the provider buys your existing vehicle and finances it back to you, while leasing – in which you rent the vehicle and don't have to buy it – brings flexibility and eases the burden on cash flow. This latter option can be tax efficient because your vehicles don't show up as assets on your balance sheet.

As you can see, there are plenty of options to choose from, so shop around and always keep in mind the unique needs of your business, now and in the future.

Fitting out your van

We all know that a van is essentially a powerful car with a large box on the back, but kitting it out with storage solutions will transform it into an efficient and convenient business asset. Larger vans – sometimes called 'Luton vans' – often come with tie rails that allow removals companies to secure furniture and stop it rattling around during transit.

In some cases these are also designed to incorporate metal shelving and racking. A quick online search will reveal the options, which offer varying degrees of capacity and segmentation. You can also get these designed on a custom basis and a number of companies will be happy to provide a quote for your specific needs.

"When you are starting out, get a good quality toolkit with all the best equipment that you can afford. This will help you work to the best of your ability – and establish a reputation for yourself."

– Wayne de Wet, Wayne de Wet Painting and Decorating Services