

PAYROLL OUTSOURCING AND BUSINESS GROWTH

LEADERSHIP

As the economy starts to recover, we look at practical ways your company can increase its focus on growth.

Payroll outsourcing can be part of a wider strategic commitment to growing a business. With so many of our clients keen to be fast off the starting blocks as the economy finally starts to recover, we have decided to devote this article to examining practical ways your company can increase its focus on growth.

The growth imperative

While cutting back on staff or reducing output are often necessary steps for many businesses during a downturn, continuing this approach during a recovery can be a recipe for decline. When markets are starting to expand and new businesses with innovative products are springing up to take advantage of the new opportunities, existing businesses that continue in austerity mode for too long may find it increasingly difficult to re-establish their former position. In short, growth is now an imperative for all businesses.

So for the companies who have come through the recent recession, the primary focus is now on consolidating and growing their business – either to build back to where they were or to reinvent themselves and adapt to the new conditions. For some it means expanding their market, or moving into new markets. For others it means innovation to ensure competitiveness or to win back market share.

Does your business have the headspace for growth?

When growth is your goal this takes a lot more headspace than just keeping things ticking over. It means a switch to a more entrepreneurial and creative mindset – by everyone in the company, but especially at director or manager level. Having to take time to deal with day to day admin, however essential, detracts from this mindset and can put the brakes on putting serious focus on growth.

And, as if the pressures of steering a business through a downturn were not hard enough, companies have also had to deal with a mountain of additional admin in the form of PAYE RTI and auto enrolment. These have required a great deal of management focus over the past 18 months, making even less time available for thinking about growth.

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The first step to growth, then, is to carve out the necessary headspace for your company's directors and management team. This means giving them the time and the approval to focus on growth, in

whatever way makes sense for your particular business. But how do you actually make this happen? Here are six steps your company can take to increase its focus on growth:

1. EXAMINE YOUR TIME

The first step is to understand exactly how your company's directors and managers are currently spending their time. Logging how their time is spent for just one week can quickly reveal what is eating up most of your top team's time.

Time logging doesn't have to be down to the minute – just ballpark hours spent on the following:

Non-growth activities

- Employee management – payroll, disciplinary, recruitment, rostering, etc.
- Operational management – managing existing contracts, servicing clients, production and deliverables, and liaising with suppliers.
- Legal and regulatory issues – health and safety, financial etc.
- Cost-cutting – looking for and implementing ways to save money.
- Firefighting – customer complaints, supplier disputes, IT support, machinery repair etc.



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Growth activities

- Bidding for new business and seeking out new clients.
- Marketing, advertising and brand awareness.
- Product and service innovation.
- Customer research.
- Market analysis for relevant sector.

Of course, it will be necessary for some operational managers to be spending the majority of their time on ensuring day to day operations are happening and that your current customers are receiving the best possible service. But if there are no directors or managers spending at least 50% of their time thinking about growth, then this should be a signal that you need to look at ways of reducing their focus on day to day activities. The next points will suggest ways of achieving this.

2. PUT IT ON THE AGENDA

It is not necessary to have a complete growth strategy in place before you can start talking about it within the company. Simply including it as a regular agenda item on existing checkpoint meetings sets an intention and sends a strong message about where you want the company to go.

Even better is to hold regular meetings or workshops dedicated to the subject of growth. As well as being a way of carving out time, this helps to get everyone's brain focusing on it. Regular discussion and brainstorming will mean that your top team will be working on the problem in the background as they go about their everyday activities and are far more likely to notice and act on growth opportunities when they arise.

Even if no clear strategy emerges to begin with, the effect of simply talking about growth opportunities can have a remarkable effect on the energy and optimism of a company – provided people can see some progress being made.

3. MAKE IT SOMEBODY'S JOB

To ensure tangible progress is made, it is necessary for at least one person in the organisation to be spending the majority of their time thinking about growth. This may be the main company owner or director, or it may be delegated to another member of the management team.

If no existing person can spend this much time, it may be necessary to think about hiring someone. A cheaper alternative is to provide existing managers with extra assistance to free up their time.

Above all, don't just add "company growth" to a team member's current workload – either it just won't happen or existing operations will suffer.

4. MAKE IT EVERYBODY'S JOB TO HELP

One person generating innovations and new marketing ideas can't make them happen alone. It is important to involve the whole management team, including operations, HR and finance, to work out implementation and help evolve ideas.

Make sure all staff are aware of the growth initiative and invite ideas from throughout the company. The most effective and practical ideas can often come from those working at the customer level or actually producing and delivering products.

5. FOCUS OUTWARDS

The key to growth is identifying potential customer needs and meeting them, so this is a time to talk to your customers – a lot! Your customers can tell you exactly what motivates them to buy and what they would like you to do better, far better than you can by talking to each other within the company.

Make sure to look at the competition. Who is succeeding best in your sector and why? Again, this helps you to see your company from an outside perspective.

Shifting to an outwards focus can sometimes be best achieved by hiring in someone who can look at your business with fresh eyes.



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6. OUTSOURCE NON-CORE FUNCTIONS

Identify any areas which are not contributing to growth and consider whether outsourcing might be appropriate. For example, health and safety, payroll, building services, catering, accounting and legal services may all be managed more efficiently – and as a result, take up less management headspace – by being outsourced.

It's important to remember, outsourcing any specific function needs to carefully balance the financial costs and other factors important to the company. This includes the level of control or specialist expertise you need to retain. For example, payroll outsourcing with FMP allows two levels of outsourcing:

- Payroll bureau (where the company retains control over data input, but hands over actual payroll processing, payslip production etc., to FMP).
- Fully managed payroll (where the company simply provides raw timesheet data each month and FMP manages the rest).

By creating more time for your top team and actively spending that time on generating plans for the future, growth can be something that your company takes control of, rather than waiting for it to happen.



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At FMP Global we have over 40 years' experience outsourcing payroll to a wide range of businesses. Whatever your payroll requirements, we can ensure a highly tailored and dedicated service that ensures optimum accuracy, efficiency and peace of mind.

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