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PREPARE, PACE, PIVOT: THE LAST LAP

Ace #WFH

How employers can engage their teams during remote work

Scale to grow

A guide to scaling your business – and ultimately growing it

Lendingpot

How employers can make #WFH work in their favour

BY *Belinda Wan*

Almost two years since the COVID-19 pandemic broke out, telecommuting, or working from home (WFH), has become a norm for most office workers.

In fact, it seems that workers in Singapore have adjusted to WFH. A Randstad Workmonitor survey found that 85 per cent of employees in Singapore say having flexible working arrangements helps them maintain a more balanced lifestyle.

Most companies are adopting the hybrid work mode, which effectively puts to rest the possibility of a full work week at the office. When case numbers start rising, like they are now, WFH also becomes the default.

The hybrid mode consists of working some days in the office, and WFH; often determined by a roster that features two or more teams that cannot mingle. Yet the arrangement brings with it the risk of employee disengagement.

Here's how you can make the best out of WFH, as an SME owner.

Trust your team

Get rid of any nagging feeling that your employees are slacking just because you can't see them slaving away at their desks.

In the general scheme of things, they will get around to fulfilling their deliverables because they have to. After all, life goes on and work goals need to be met.

So learn to trust them and allow them the freedom to do their work independently.

Hold weekly meetings

It's a good practice to meet your team over Zoom or any other web-based video platform just to hear how the work week has been.

Now that you can't just call for a meeting with them at the office, having weekly meetings will allow your team to share important updates.

However, if you schedule too many meetings just for the sake of it, your staff are likely to experience meeting fatigue, and may become stressed, annoyed or frustrated.

Make sure every meeting has an agenda and ensure that everyone has a clearer idea of what to do after it. If not, you would have wasted everyone's time, even if it was just a video meeting.

Respect their personal time

Singaporeans are already an overworked lot; but the WFH phenomenon has worsened this, and tipped the scales of work-life balance askew.

The Randstad Workmonitor survey found that 56 per cent of the employees in Singapore felt that they are unable to disconnect from work while having flexible work arrangements.

Employees may feel compelled to work overtime or do more just to "prove" they are working when at home. Messaging apps such as WhatsApp also exacerbate the problem.

Mounting expectations and reduced interaction with colleagues while WFH may cause employees to become disengaged over time. Photo credit: Unsplash

This always-on mentality can lead to fatigue and even burnout in the long run. And a burnt-out employee is going to be less productive than a well-rested one.

As a boss, try to contact your staff only during working hours. Anything else (unless it's really urgent) can wait till the next day. Do not call your team or hold meetings with them during lunch too.

In addition, try not to be annoyed if your employee doesn't answer your 12am WhatsApp message immediately. Surely it can wait. After all, she'll be working at her desk again in about eight hours.

Do not micromanage

A micromanager is one who keeps excessive tabs on his or her staff for no good reason. Most micromanaging bosses don't even know they are one until they are told.

But a golden rule of thumb: Value the product and not the process. It doesn't really matter how your employee did a piece of work as long as you are happy with it. If you are not... well, it brings us to the next point.

Have reasonable expectations

If you find yourself constantly unhappy with the work done by your team, it may be a good time to do some reflection.

While you should ensure the work produced is of a high standard, finding fault with anything done by your team is a sure-fire way to kill their morale.

It's impossible to please a boss whose expectations are sky-high. After a while, your team members are likely to give up trying. When they do, the quality of their work will suffer. So when you can...

...give credit when it's due

What may seem like an average piece of work may have taken your team members hours to do.

Let your team members know if there are areas for improvement, but do so tactfully. If the work was well done, let them know too. Many bosses underestimate the importance of praise and acknowledgement.

Don't be too hard on anyone

Miscommunication or the omission of important updates will occur in a WFH set-up. It's only to be expected.

After all, you can't step over to your employee's desk to ask something. Or worse, you may forget to. Likewise for your staff.

If and when that happens, deal with the problem swiftly and learn from it. Tell your team that it's a learning point. Because it is, and everyone's just trying their best.

Have a good amount of empathy

When they're not doing their work, your team members have to deal with Life too.

They will have to get lunch, cook dinner, buy appliances, mind the kids, take care of their parents, walk the dog, do grocery runs, get their vaccination jabs done... the list goes on.

So don't get paranoid or believe the worst of them if they don't answer your call or message immediately.

It would be unreasonable to expect them to always be work-ready and at their desks. Life gets in the way of work sometimes – now more so than ever.

Throw in some humour

Remember that your team members have their fair share of work-related challenges to surmount, even as they grapple with things brewing in their personal lives.

Now that team bonding is now only relegated to WhatsApp and Zoom calls, they also may feel uncertain or isolated.

Try to use humour to defuse any tension in an awkward Zoom meeting or botched presentation, even as you try to work things out with your team. After all, you're in this together.

Remember that the importance of humour at work is often overlooked. You'd be surprised though – it may be all you need to motivate your staff!

5 ways to scale your business effectively

BY *Belinda Wan*

Scaling your business involves making a few strategic adjustments to your operations that will ready your company for future growth. Photo credit: Unsplash

Talk to any SME owner, and chances are he or she will mention "growing" and "scaling" the business at some point during the conversation. But is growing your business the same thing as scaling it? The answer is no.

What the word "growth" generally means in business terms is an increase in revenue.

For example, if you own a small keychain-making business that just closed a major deal with a client, you need to ramp up on your production and possibly even hire more staff since you may get more of such deals in future.

However, while you may have grown your company revenue, you also need to add resources to make that revenue increase possible.

A company is said to have achieved scalability if it is able to handle a bigger workload in its current state without affecting the quality of its present output or performance.

This means you are increasing your revenue at a quicker rate than you are spending on new costs.

The relation between growing your business and scaling it

Scaling your business involves putting in place various conditions that ready your company for future growth.

Doing so will afford your company the means to grow without running into roadblocks. This means that before you can achieve and sustain meaningful growth for your company, you need to scale it first.

How to start scaling

So how can you find ways to replicate certain processes quickly and effectively? Here are five ways:

1. Train and develop a stellar team

Now that you have decided you want to scale your business, the first thing to tell yourself is you must let go of some of the control you have as a boss.

As a business owner, you can't be hunting for namecards, updating manual databases and cold calling, then expect the business to scale magically. You should be working on your business, not in it.

In order to develop the breadth of vision you need for scaling your business, you need to take a step back from fretting over the nitty gritty parts of your operations. Delegate if you need to.

Then look at your team. Are they the people who can help you achieve what you want?

If so, equip them with the knowledge and training they need so they can take your business to the next level. Your team should be lean but super efficient.

2. Invest in technology

A lot of the rhetoric about scaling revolves around two words: Technology and automation.

It is very difficult to scale your business if your daily operations are still mired in old-school processes and manual grind.

Technology can also improve the production capacity of your business and enable it to grow. Manual processes can slow growth and cause bottlenecks even when you want to grow. Think ahead.

Remember that time is money. You can easily save the time your team spends on doing time-consuming, tedious work by employing the right technology to do these tasks instead. Your team members can then spend their time more productively.

Look at what you are doing right in your business. In order to achieve focused growth, you must identify key processes that will enable your business to develop in a targeted and strategic way.

Then sit down with your tech team and figure out which processes can be automated or streamlined. Next, get your tech team to teach your staff how to use the new tools.

The technology you use should allow some room for flexibility so you can adjust to increased growth without too much difficulty.

You may have to spend a little, but the time and effort that the technology helps you to save should enable your team and equipment to do more and achieve more in the long run.

3. Know the market and your customers

Since your business has the potential to scale, you must have been doing some things right. Figure out what these "things" are.

What is your business's unique selling point? What makes it different from others that offer similar products and/or services? What is your competitive edge? What is your customer profile? How can you capture a bigger slice of the market?

Finding out the answers to all these questions is crucial. It will improve your focus and help you refine your vision.

Without taking your eyes off your current pool of customers, find out how to engage them even further with the new resources you have (a revamped website and automated ordering system, for example), while seeking to increase your customer base.

4. Make the right connections

While it's great to get more customers to your website or social media pages, as a business owner, you need to get the word out about your company in person too by forming a business network.

Attend business functions and networking events and actively get to know public relations personnel, other business owners, venture capitalists, sales partners, suppliers, marketing folks... the list goes on.

Meeting more people also increases your chances of forming valuable partnerships. For instance, if you are a health food supplement retailer, consider working with a gym or spa for referrals and marketing campaigns. This instantly expands their network reach (as well as yours) and allows businesses to integrate into ecosystems.

Just as your staff are learning, you should keep picking up new things too. Most, if not all, of the people you come across can probably teach you a thing or two or inspire you in ways you never expected.

After all, it's not what you know, it's who you know. Even better, you may meet an angel investor who is interested in your company. You never know!

5. Build a line of credit

Even as you try to scale and grow your business, there are certain variables you will have no control over. Case in point: No one expected a pandemic of this scale to break out in 2020.

So don't wait until something big happens before you have a Plan B. Begin developing a line of credit now. Start sourcing for working capital facilities and build up small credit track records with lenders and banks, so that if and when you need a loan, you know exactly where to go and what to do.

3 ways supply chain financing can create a win-win for buyers and suppliers

BY *Belinda Wan*

You have probably heard of invoice factoring and invoice financing. But what about supply chain financing (SCF), also known as reverse factoring or approved payables finance?

SCF refers to a financial arrangement between three parties – an anchor buyer, a supplier and a financier – that aims to improve the cashflow of the supplier while extending the payable days for the buyer.

In this scenario, the financier relies on the strong credit quality of the buyer to grant an early payment to the supplier for a nominal fee.

How SCF works

In a typical supply chain set-up, a buyer purchases goods from a supplier with a pre-agreed credit term, which ranges from 30 to 180 days.

The supplier is often caught in a cash trap where much of his working capital is stuck in receivables. He can go to a bank to obtain working capital financing through a short-term working capital facility or export invoice financing.

However, smaller businesses may find it difficult to obtain credit from lenders. Therefore, the supplier will try to shorten his credit terms as much as possible against the buyer's interest.

Here is how SCF aims to address this zero-sum game.

SCF works with a financier being an intermediary between the buyer and the supplier. It starts with a financier holding a credit relationship with an anchor buyer that is a large and creditworthy company.

The credit comfort with the buyer allows the financier to be confident of the buyer's ability to make good on his payments to suppliers when they are due.

Thus, financiers rely on the creditworthiness of the buyer to grant an early payment to suppliers at a fee. Eventually, the buyer makes the payment in full to the financier and the transaction is complete.

In this way, the supplier gets quicker access to funds owed, hence increasing his working capital. Meanwhile, the buyer gets to improve his cashflow through extended payment terms at no cost.

In short, SCF is a working capital solution that enables buyers and suppliers to optimize their cashflow and improve liquidity.

The whole process minimizes risks across the supply chain, which is increasingly getting longer these days because of globalization, and of course, the disruption brought about by the COVID-19 pandemic.

By freeing up cash that would otherwise be trapped in the supply chain, both buyers and suppliers have a better chance of surviving economic headwinds and scaling their businesses.

Supply chain financing helps free up cash that would otherwise be trapped in the supply chain. Photo credit: Unsplash

How is this different from invoice financing or factoring?

For invoice financing and invoice factoring, it is the supplier (the party waiting to get paid by the buyer) who respectively pledges and sells his invoices in order to get paid more quickly.

Yet for SCF, it is the buyer (or customer) who makes the call on which approved invoices they want to pay the supplier sooner.

Once the supplier has received payment from the financier, the latter then collects the payment from the buyer.

Since this arrangement is initiated by the buyer and not the supplier, the interest rate is usually lower than what it would have been if the supplier had sought financing on his own.

This is because the financing rates are based on the buyer's risk, and not the supplier's. In addition, the financier is only making the early transfer based on the buyer's promise that he will pay the financier by the invoice's original maturity date.

So while the supplier can get paid by the financier via SCF the next working day (as compared to the usual 30- to 60-day payment terms), the ordering party or buyer is able to make payment only on the due date.

The entire process is summarized step by step here:

1. Supplier submits the invoice to the buyer.

2. Buyer approves invoice; and uploads it to a portal.

3. Supplier logs into portal to check all approved invoices. If no action is taken, funds will be paid when the invoice reaches its maturity date. Or, the supplier can sell his receivables to the financier for an early payment.

4. Funding instructions for the early payment

request are sent to the financier.

5. Financier pays agreed discounted amount (accounting for a small financing fee) to the supplier's bank account the next working day.

6. Buyer makes payment to the financier on original due date.

While the benefits to the supplier are obvious, SCF, if managed well, can yield many benefits for anchor buyers beyond extended payment terms such as:

1. Stronger business relations

Being a collaborative process between the buyer, supplier and the financier, and more importantly, a largely win-win one at that, SCF is likely to result in all three parties having stronger relationships with one another.

With help from the financier, the buyer can take some stress off his payment cycle by negotiating a longer payment term.

The supplier can gain better control of his cashflow by requesting for an early payment when required or allowing his receivables to run to maturity.

If managed well, this can help the buyer improve his relationship with the supplier and provide room for price negotiation in the future.

2. Cost- and debt-free solution

Typically, the solution is entirely provided by the financier and imposes zero costs on the anchor buyer to administer and implement.

As such, it is important for the financier to evaluate if there will be sufficient utilization as it profits from the fee imposed from each transaction.

It is worth noting that SCF does not constitute additional debt to the buyer or supplier as it is an extension of the buyer's accounts payable. For the supplier, it involves selling his receivables.

3. Efficient reconciliation through ERP integration

Existing SCF solution providers should be able to integrate seamlessly with the ERP systems of anchor buyers.

This allows buyers to have complete visibility on approved invoices and payments being made.

This is likely to lead to fewer errors in the payment cycle, and will also help the buyer to manage his payables more effectively.

IFS Capital Limited has partnered PrimeRevenue to provide supply chain finance solutions in Southeast Asia. Visit www.ifscapital.com.sg/supply-chain-financing for more details.