Practical lessons for a post-pandemic world

Stuart Carr, Principal, Carix Business Advisors

It's been a tough couple of years for businesses, thanks to COVID-19, and now is as good a time as any to think about what lessons can be learned. But according to Stuart Carr, Principal with business advisory firm Carix, an important thing to remember is that pandemics have happened before and will happen again, each bringing their own level of unpredictability.

"There's no point worrying about the future because we don't really know what any future pandemic will look like," he says. While that may sound unnerving to some, Carr says this doesn't mean you can't take any action. "Now's the time to be focusing on small-scale innovation, such as thinking about ways to improve your cash flow," he says. "Any innovation should be carried out incrementally. Rather than taking a big-scale approach, be nimble and flexible."

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Carr cites what happened after the Black Plague in the mid-1300s. "The people who did well after that plague were those who were innovative and tried different things," he says. "Those that tried to keep things exactly the same struggled and didn't survive well economically."

Carr says there are several issues businesses should consider addressing to make it easier for

a post-COVID future.

Labour shortages will continue, so streamline where you can

One of the most critical issues facing business is lack of staff – something Carr says is unlikely to change any time soon. “One solution is to look at how you can automate and streamline your business,” he says. “What can you simplify, or most importantly what can you not do? What things do you do in your business that you no longer need to do?”

Carr says applying a “Marie Kondo” approach to business can help when there are labour shortages. For example, he says, ensure every process is only carried out once, including handling data, stock, processing and equipment.

“It helps – if you can – to only handle a piece of data once,” he says. “Also, ensure your stock levels are right so you get the best value out of them. Think about how much unnecessary processing you do; perhaps it’s now time to automate where you can. Simplifying your systems, getting better value from them, and automating your processes, make it transactionally easier to do things. It costs a lot to have staff sitting around dealing with paper.”

Payment time schemes benefit small business

In 2020, the Federal Government introduced the Payment Times Reporting Scheme, which requires large businesses and government enterprises to report their small business payment terms and times. Carr says it is important to know that the 21-day payment rule starts from the time the large business receives the invoice, not when it is entered into their system or approved.

“When we started including on our invoices that under the scheme payment was required within 21 days, we found more of our clients started paying earlier,” Carr says. “Not everyone did but even if you get 20% of your clients paying earlier that’s a win. This is a good piece of legislation, but it needs to be used.”

Carr adds the NSW Government pays invoices within seven days, which for small business is very good. “The important thing is to send out invoices in a timely manner,” he says. “I believe you should send an invoice as soon as you’ve completed a job. And if you’ve automated your systems, this should be a simple process.”

Be easy to find, and with a clear offering

With many companies competing for business, it’s important to be found by your potential customers. Carr says this means having a strong online presence.

“Once you have a presence you also need to clearly articulate what it is that your business does,” he says. “This means having a clear offering. And you also need to ‘hang out’ where your customers do. If they hang out on Facebook, you need to go there; if they hang out on

LinkedIn, you need to go there; and if they hang out in a particular pub, then that's where you need to go.

Also important, according to Carr, is acting on referrals as soon as possible. "If you get a referral, you need to send them a message almost immediately to introduce yourself and to see how you can help. Whatever you do, it needs to be timely, as these opportunities aren't always there."

Following up sales leads is critical

When it comes to sales, it's simple, says Carr: follow up, follow up and follow up. "It's pretty easy, really," he says. "Every time you have a conversation with your customers, you must show immediacy – and listen and understand. Many people like to talk; fewer like to listen."

Carr says it's important to look at the people responsible for sales in your business to ascertain if they are talking more or listening more. "Every time they have a conversation with a customer, is it helping them understand what's required; are they refining the requirements; are they adding value to the conversation? If they are, then they can become a go-to person for their clients, providing advice rather than being someone who just does the books."

Preparing for the future?

Carr says we now live in a "VUCA" world: Volatile, Uncertain, Complex and Ambiguous.

"Are we going to become more local? Who knows?" he says, adding that most businesses these days, including small ones, are interconnected with the global economy.

"There are very few businesses that aren't affected by global forces. Look at rising fuel prices, for example, being partly driven by the war in the Ukraine. There are also many examples of supply being affected due to COVID, so businesses can't always get the materials and equipment they need."

Carr believes the best advice to give clients is to get them to "panic early". "If you panic early, you have a chance to fix a problem. But if you panic late, it's harder to fix. Now is the time to ring clients and ask how their business is travelling."

He adds, once these conversations are initiated, one of three things is likely to happen. "One is that they'll thank you for the call. The second is that they'll say they didn't know about the issues you've brought to their attention; and the third is they'll bring up something they want help with. But the important thing is to be proactive and call them."

Andrew Spring, Jirsch Sutherland Partner

Jirsch Sutherland Partner Andrew Spring agrees with the “panic early” approach. “The sooner struggling businesses seek help, the more options are available to them to find solutions,” he says. “Entrepreneurs are natural innovators, but they also have a strong external focus. In these times of uncertainty, taking a little time to focus that energy inwards on their business may position them strongly for the pandemic recovery phase. And regardless of whether that requires an operational or financial restructure, the early the better is still the best approach.”