

# Small business insights

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How businesses all over  
the UK are managing

- Marketing
- Risk planning
- Staff & wellbeing

Inside:  
research  
from over  
**1,000**  
SMEs



# Small Business Insights



## Foreword

As the small business lending specialists, we're always listening to business owners like you. We've dedicated the last ten years to making sure you feel supported, and heard, and have the tools you need to make your business the best it can be.

That's why we've recently conducted our first State of SMEs report; we spoke to over 1,000 UK SMEs across all industries about the issues impacting their business right now, and what successful businesses are doing to thrive in this environment. In this magazine we'll share our findings with you to help you benchmark your own company, as well as expert advice to help you make the most of the insights.

We hope this gives you inspiration and practical ideas to take your business even further in 2022.

**Lisa Jacobs,**  
CEO, Funding Circle



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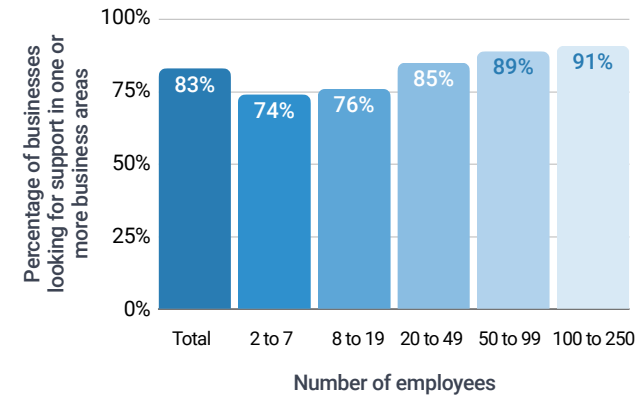


# Planning for the future

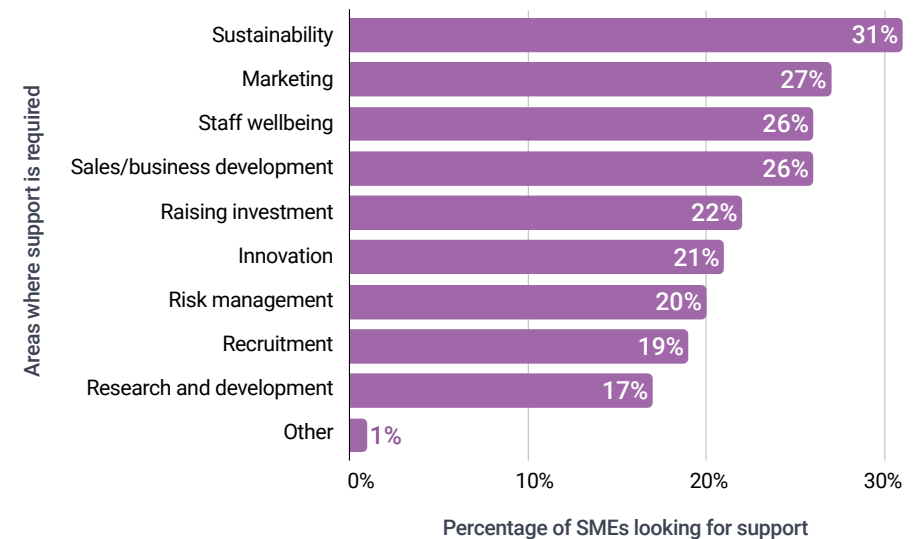
Covid may have disrupted most businesses this year, but SMEs tell us where they find support, how they are protecting themselves for the future, and how the most successful businesses are measuring success and investing in technology.



83% of all SMEs say they need more support to run their business - with bigger businesses more aware of the support they need than smaller SMEs.



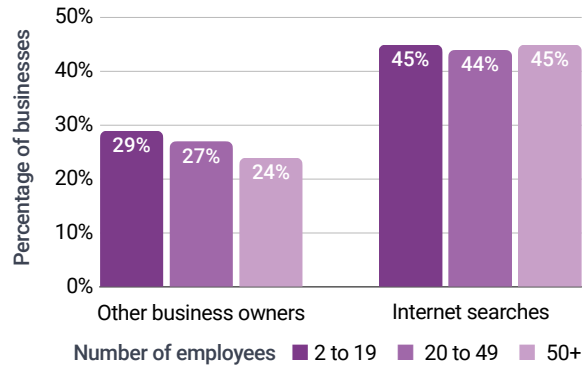
SMEs feel they need most support with sustainability, marketing, growth and taking care of staff.



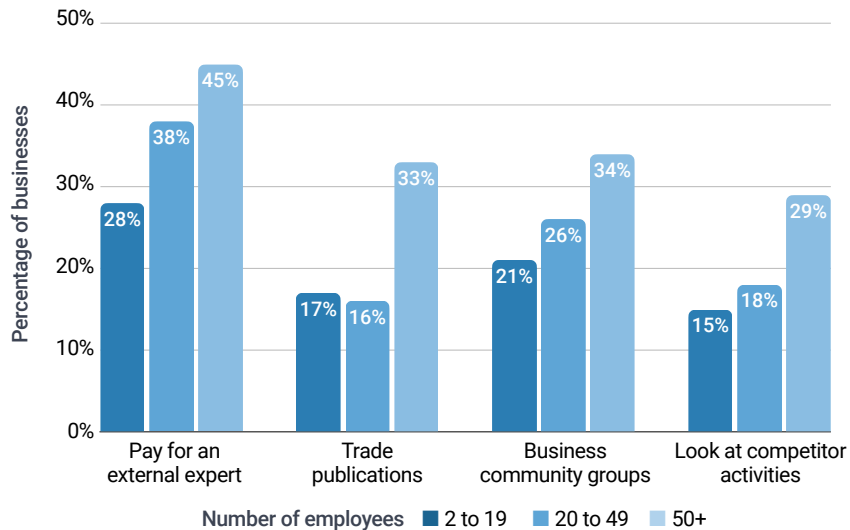
## Support

### How SMEs manage business finances

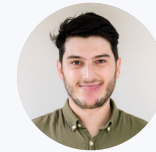
Regardless of size, most SMEs rely on the internet and their peers for support with managing business finances.



Even among businesses with 50+ employees, less than half of SMEs have paid external support for sourcing information on, or managing finances. Most SMEs are not seeking professional financial support.



## Why finding a business advisor is key to success



**Ryan Elliot**, Content Manager at Enterprise Nation, explores how hiring a business advisor could unlock doors and help your business reach its potential.

**Running your own** business is tough.

For many entrepreneurs, it's a labour of love which dominates their every waking moment, and with so many responsibilities and considerations landing on their plate with seemingly unrelenting regularity, it's easy to feel overwhelmed.

However, there is an abundance of expert business advisors out there who can provide invaluable advice, support and feedback for those keen to really push their business to the next level.

It applies to businesses of all levels too, from global CEOs to one-man bands. Wherever you're at with your journey, here's a rundown of five great benefits of finding yourself a business advisor.

### 1. Unlock new perspectives

If you're running a business, particularly if you're solely in charge, it's easy to become tunnel-visioned.

Continuously employing the same thought processes to address problems can lead to solutions being missed.

This is why having a fresh pair of eyes, to potentially help you shift focus and address things from different angles, generally comes in handy.

As human beings, it's easy to become stubborn and insistent that 'it's my way or the highway' but utilising that outside presence to add another layer of perspective onto proceedings is never a bad thing.



That constructive, objective voice within your business, from somebody who knows the game inside out and possesses no vested interest, will pay off massively.

**4. Have someone there when you fail**  
Unfortunately, not every new project you undertake as an entrepreneur will be a roaring success. Living with this knowledge won't soften the blow of any business-related mishaps, but perhaps a helping hand from someone with a bounce-back strategy will.

Working with a business advisor will help you take these setbacks in your stride, and come out the other end a more level-headed, resilient entrepreneur, leading to greater successes in the future.

**5. Widen your network**  
The great thing about business advisors is that they know lots of people.

Networking is crucial for all entrepreneurs, so taking full advantage of the numerous contacts your advisor likely possesses can lead to all sorts of goodness – be it extra advice, sought-after expertise or even investment.

Eventually, that one introduction from an advisor could develop into a sprawling network of like-minded individuals, and who doesn't want that?

Enterprise Nation is the UK's most active small business network and the ideal place to find your perfect small business advisor.  
Visit [enterprisenation.com](http://enterprisenation.com).

**2. Reach your full potential**

It's not always easy to push yourself to fulfil what you're capable of, and there's an element of safety in taking the conservative approach. Striding out of your comfort zone is always daunting, so having a level-headed business advisor, who will encourage you to take on these challenges, will help you see that glorious, untapped potential.

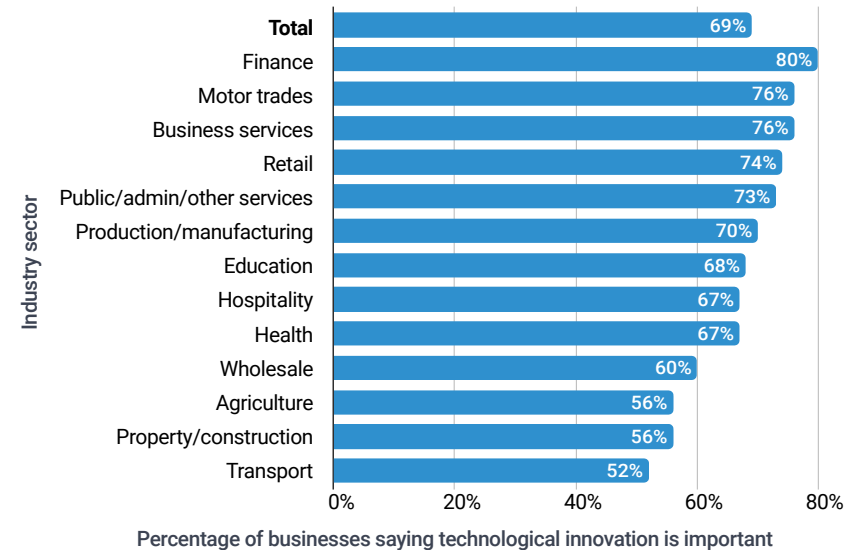
Allowing entrepreneurs to see opportunity instead of intimidation is a key skill in any business advisors' armoury.

**3. Receive honest, unabridged feedback**

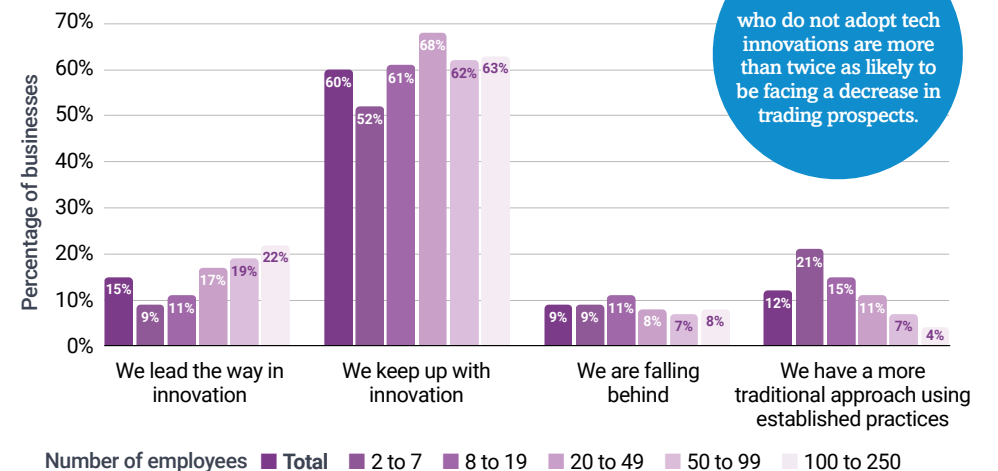
One of the beautiful things about working with a business advisor is that they will never sugar-coat things.

While many friends, family members or colleagues you work with might have ulterior motives or previously held beliefs about you or your business, an advisor will strip things down and tell it as it is – even if the feedback isn't wholly positive.

The most successful SMEs value tech innovation; 75% of SMEs with improving trading prospects rate innovation as 'important' compared to 58% of businesses facing a decrease in trading. The chart below shows the importance of innovation by sector, across all SMEs.



SMEs with 8-19 employees are least likely to be leading or keeping up with technological change.

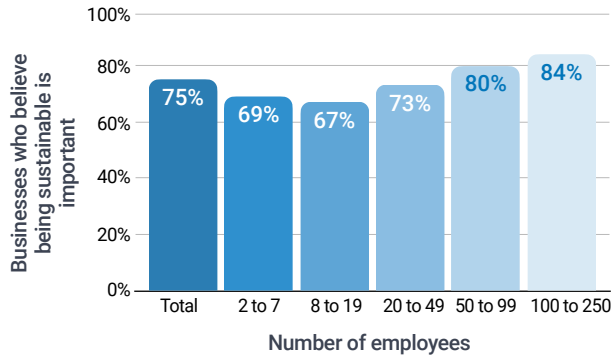


**Businesses**  
who do not adopt tech innovations are more than twice as likely to be facing a decrease in trading prospects.

# Sustainability

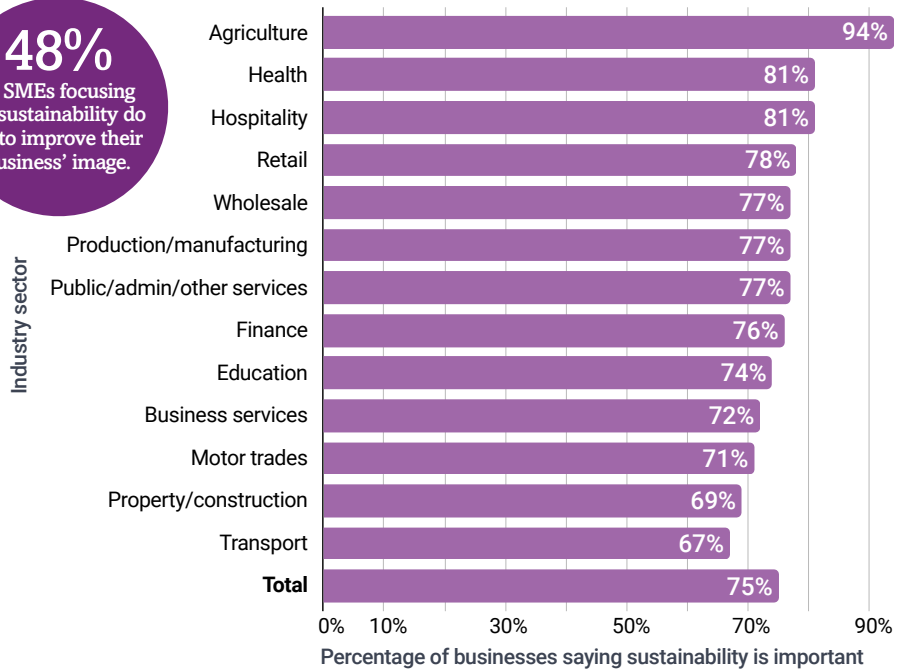
75% of businesses think sustainability is important, with bigger businesses placing more importance on being sustainable than smaller SMEs.

**80%**  
of businesses with good trading prospects view sustainability as important.



Sustainability is most important for businesses in Agriculture, Health, Hospitality and Retail, driven by customer expectations and a desire to be viewed more positively.

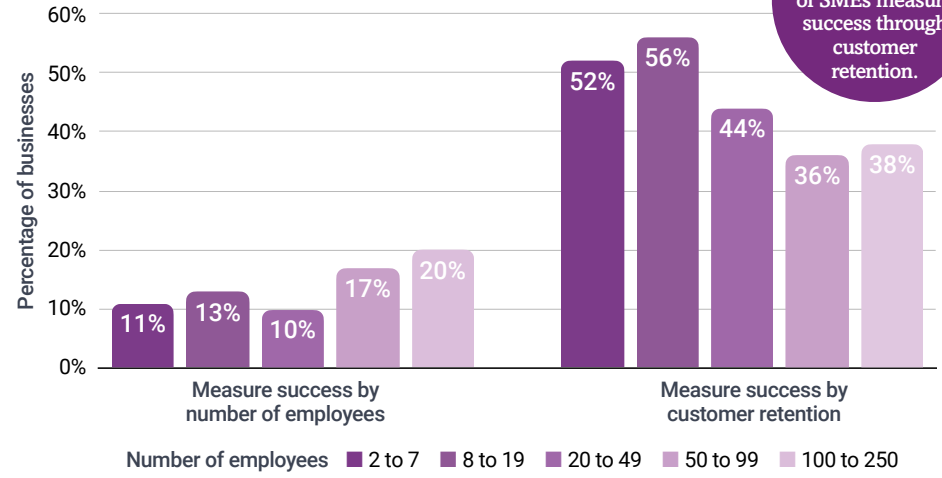
**48%**  
of SMEs focusing on sustainability do so to improve their business' image.



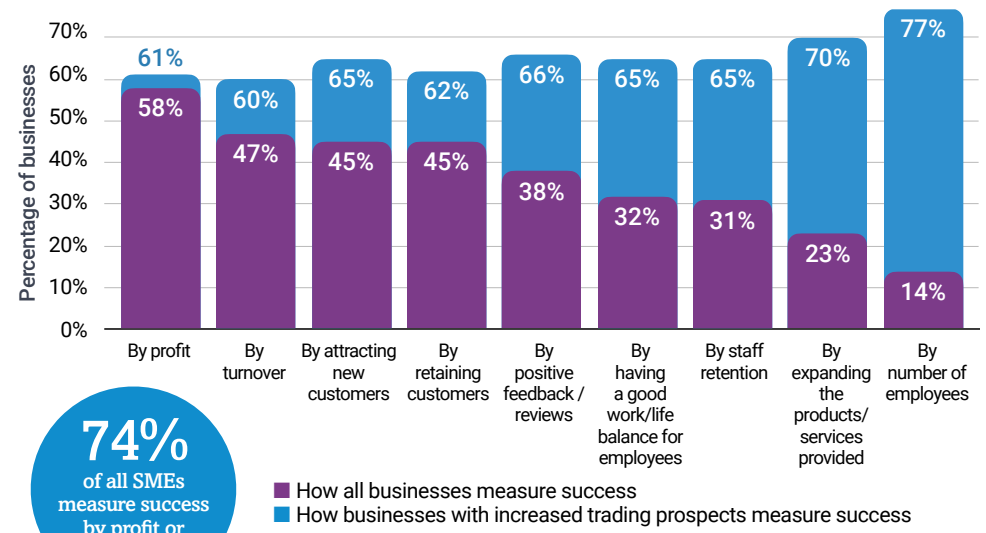
# Measuring success

Larger businesses gauge success by number of employees, but over 50% of smaller SMEs measure success in terms of customer retention.

**Over 50%**  
of SMEs measure success through customer retention.



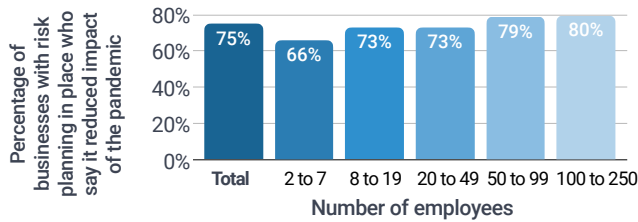
How businesses measure success is linked to their trading prospects; SMEs looking beyond financials seem to be more successful than those with a singular focus on profit or turnover.



**74%**  
of all SMEs measure success by profit or turnover.

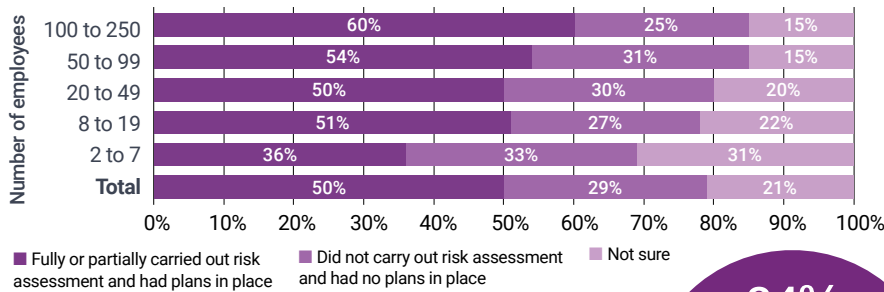
# Risk Assessment

Three quarters of businesses who put risk assessments in place say they have helped reduce the impact of the pandemic.



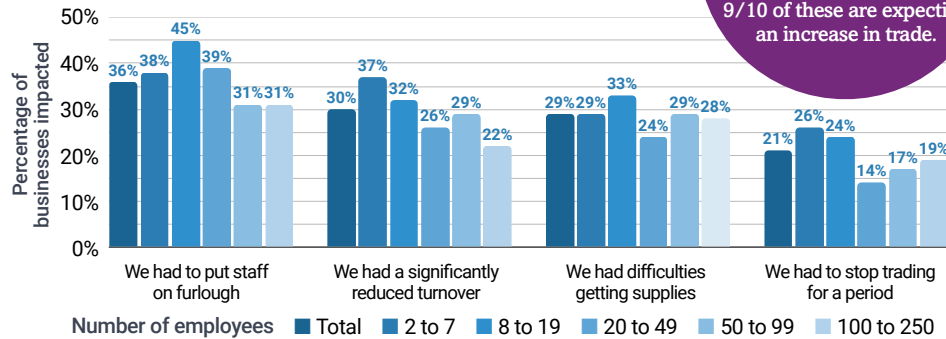
**Smaller businesses** were twice as likely as larger ones to report that risk planning did not help reduce the impact of the Covid pandemic.

Effective planning is linked to increased trading prospects, as larger businesses have seen. Bigger companies were more likely to have had risk planning in place pre-pandemic, and more than two thirds have increased their planning measures since Covid, compared to just 40% of smaller SMEs.



**84%** of businesses that carried out risk assessment or mitigation planning before the pandemic stated that their planning was effective. 9/10 of these are expecting an increase in trade.

Smaller SMEs have been disproportionately impacted by Covid.



## Your guide to contingency planning and risk assessment

Rosaline Laverley, Global Head of Enterprise Risk at Funding Circle, talks to us about how to build an effective contingency plan, and the key scenarios your business should prepare for.

**Contingency plans help** businesses prepare for unexpected events that could either disrupt how they operate, or lead to changes in the market that affect your revenue and value. Creating your contingency plan can be daunting, as there's so many different scenarios that could occur. To get you started, there are four scenarios that every business should consider.

### Pandemic

As the last two years have shown, a pandemic can upend your business completely. Further Covid waves or future pandemics could differ in severity, but

considering how you would cope if your staff were unavailable, premises were restricted and so on will be key to keeping your business running. Learn the lessons of Covid and plan for the future.

### Recession

Planning for a recession is more about forecasting. What could your turnover look like in a mild, medium or deep recession? If it's going to be much lower, how much extra cash do you need? Could you work with reduced staff, or slim down your operations? Plan for a few scenarios so you can take steps quickly to early signs of an economic dip.

“You can put all of your plans down on paper, but if you don’t practise them, they won’t mean anything.”

#### People and illness

If a key member of staff falls ill or has to take extended leave, your business still needs to run. Consider what would happen if you or another leader in the business had an accident or was taken ill. Decide who would cover for them and make sure they’re trained up. Cross-training like this helps to share skills around your business and will make you more resilient.

#### Supply chain

You may use third parties to deliver goods or services, but what happens if they’re unable to deliver? Make sure you have a list of alternative suppliers, and have assessed the costs of transferring. For example, you may have a good relationship with your current wholesaler which will be lost when you move, so it’s important to plan for some initial friction or extra expense.

**Now you’ve thought through some of the key risks, here are some tips to make your planning as effective as possible.**

#### 1. Always have a buffer

You can’t plan for everything, so you should always have a cash flow buffer in place. A line of credit is a brilliant option, as you can use it whenever you need it – but remember to

apply for this when your business is strong. If you wait until a recession or your business is struggling, credit will be harder to get, and it’s likely you’ll be offered a smaller amount and potentially at a higher interest rate.

#### 2. Practice makes perfect

You can put all of your plans down on paper, but if you don’t practise them, they won’t mean anything. You should review and do a dry run of your recession and supply chain plans at least once a year, or more often if a recession looks likely. For your people plan, as this can all be done internally, I’d check them on a quarterly or even on a monthly basis, in case of staff changes.

#### 3. Don’t be afraid to ask for advice

It’s good to do your contingency planning in-house, as you and your staff will know what it takes to run your business day-to-day and can lead changes if a risk strikes. But for financial plans, it can be useful to hire a financial advisor to assess your operations, and advise you on how to deal with any upcoming problems.

#### 4. Know your industry

Aside from the above, there are many other risks that could befall you – system failures, damage to premises, data leaks and so on. Each one will vary depending on your industry, hospitality fared very differently to e-commerce during Covid for example. You could join trade or industry associations to compare your plans to those of other business owners, and even agree on a more collaborative response when an incident occurs.

## Your contingency planning checklist

Use our risk planning check list to ensure your business is prepared for contingencies.

### Pandemic:

- Make a plan for running your business with less staff
- Check staff have equipment to work from home
- Safeguard your premises against outbreaks, i.e. sanitiser, testing
- Identify an alternative workspace location as back-up
- Review your plan annually

### Recession:

- Forecast your turnover in mild, medium and deep recessions
- Check you have a buffer in place, i.e. a line of credit
- Prioritise roles in case you need to reduce staff
- Monitor and adapt your cash flow every quarter
- Speak to a financial advisor for support if needed





## People and illness:

- Ensure essential roles have people trained to cover
- Cross-train staff to share skills across your business
- Centralise key information so everyone can access it
- Regularly check on your staff's wellbeing
- Assess training progress every quarter

## Supply chain:

- Build a list of alternative suppliers in case yours fall through
- Identify alternative delivery routes
- Review your prices regularly
- Assess whether it's cost-effective to transfer or negotiate a deal
- Review your plans as a whole once a year

# How your business can manage inflation



**Rob McCorquodale**, Funding Circle's SME content expert, provides his insight on how you can protect your business and supply chain as prices continue to rise.

**Inflation is rising** at its fastest rate for 30 years, with the price of energy, food and fuel soaring. The Government sets the Bank of England an inflation target of 2% to keep our economy stable and to help businesses and customers plan their finances. However, it's been warned that inflation might reach 10% within months, which will have a huge impact on our cost of living.

Thankfully, there's several measures you can take to protect your business and supply chain from rising prices:

### 1. Plan ahead and bulk buy

Regularly check your cash flow to make sure you can adapt to rising prices, and try purchasing what you need in bulk to save costs. This will also give you the chance to negotiate with your suppliers, and can help you avoid delays as your goods will come in one delivery.

### 2. Assess your prices

For many businesses, raising prices can lead to a dip in customers, especially if everyone is feeling the pinch. Keep an eye on your competitors to see how they're responding. You could also try different products with

higher profit margins, or running promotions on a best-seller to draw in more customers, who may then purchase other items.

### 3. Reduce any expenses

Closely examine every area to look for savings. Try streamlining your processes, assessing productivity and reviewing your production costs to keep your cash flow healthy.

### 4. Look after your existing customers

According to Forbes, attracting new customers can cost up to five times more than retaining a loyal one – while increasing engagement can help you grow your profits by 25%. So make sure you work out what keeps your customers coming back, and try to mirror the results through your other products or services.

### 5. Get finance in place

A business loan or line of credit can help strengthen your cash flow, cover any increased costs and give you the flexibility to bulk buy or negotiate better terms with suppliers. But remember to always assess your finances carefully and get any finance in place in good time.

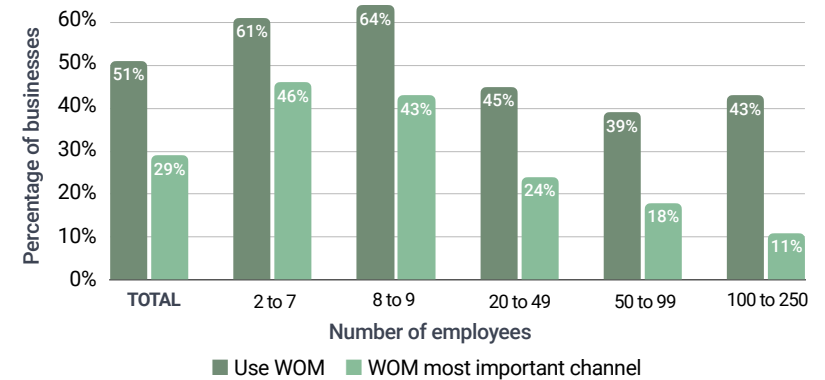


# Marketing for growth

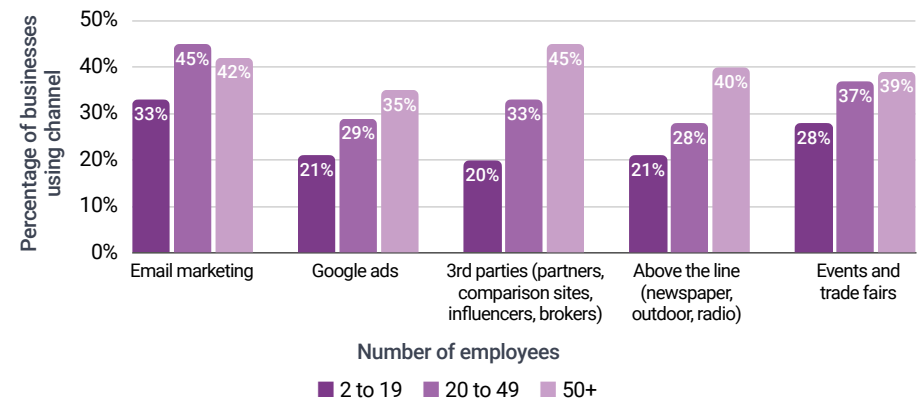
The SMEs investing in marketing are those who are growing - but a fifth of SMEs aren't doing any marketing even though 84% believe it's important. Here, we look at how businesses can take advantage of the most accessible marketing channels to boost their word-of-mouth and email marketing.



Word of mouth is the most commonly used marketing channel across all SMEs, but smaller businesses rely on it four times as much as the largest SMEs - meaning they have an opportunity to expand their marketing into other channels.



Bigger businesses are more likely to invest in paid marketing activity, which in turn correlates with business growth. Social media, SEO and door-drops are used to a similar extent by businesses of all sizes, but there are big differences in other paid channels (see below).





# How to make the most of email marketing

**DO/OPEN/**  
How a simple email newsletter can transform your business (and it can).  
David Hieatt

**David Hieatt** is an entrepreneur and author of *Do Open: How a simple email newsletter can transform your business* published by Do Books. Here, he shares the email strategy that helped him grow his business, and could help you do the same.

**Emails are one** of the most cost-effective ways of talking directly to your customers that a business can ever have. According to a 2019 study by DMA, for every pound you put into email marketing, you get an average of 42 pounds back in return. But only when they're done right.

With skill, with a strategy, with a methodology, they become one of the most effective instruments in your

digital toolbox. They build communities. They build your brand. And they relentlessly build long-term growth. I have seen how a simple newsletter built my business, and so I have no doubt it can build yours. Like anything, it requires effort and some smart thinking, but if you take the time and make a commitment, it will help to transform your business.

## Top tips for a strong email strategy

### 1. Give, give, give, ask

Newsletters can be inspiring, useful and fun. But you have to do one thing: be interesting.

A great email works by you sharing how you think about the world, and not just what you have to sell in this world. Remember, it's not all about you.

### 2. Less delivers more

Lots of companies think that sending more and more emails is the answer to growing their business. But the number one reason for unsubscribing is too much email marketing. And once they say goodbye, it is for good. So instead of the effort of doing many, how about doing fewer and making them mean more? If your email suddenly becomes something that people look forward to, the 'do less but better' strategy will pay off.

### 3. When you're selling, sell

A lot of companies will try and hide the fact they are selling with humour, or get to the point in a roundabout way. But the customer is intelligent, internet savvy and time-poor, so give them some respect. Get to the point. 'Here's a great pair of jeans, please buy them. Here's a quick backstory. Would you like a pair?' Don't leave them in any doubt that you are selling. Regardless of whether they want what you're selling or not, they will respect your directness.

"According to a 2019 study, for every pound you put into email, you get an average of 42 pounds back."

### 4. Use different newsletters for different jobs

My business has two different newsletters. One is very short, which we use to share our latest offers. And one takes time to read as it gives lots of food for thought. This one has eight different categories - in six of them we share pockets of inspiration, and the remaining two categories top and tail the newsletter, and are a chance for us to share what is happening in the company. Our emails are not always selling. More often they are sharing an update or some news.

### 5. Make all roads lead to sign up

Think of Twitter, Facebook and Instagram as fast-paced, busy roads. Blink for a second and the world whizzes by. That great post you put up a few hours ago? The world has moved on. Emails allow for a longer conversation with your customer. And in a fast-paced social media world, that is pure and utter gold. So try and get your social media followers to sign up to your emails - because having a slower conversation in a crazy fast-paced world has become more important than ever.

## When & where to invest?

# How to boost your word of mouth



**Tiana Portugal**, Marketing Director at Funding Circle, gives her take on why word of mouth marketing is so important for small businesses, and offers tips to improve yours in 2022.

**Word of mouth** is one of the most effective ways to promote your business – helping to build trust, and bring more customers to your door. Here are some ideas to think about that can boost your word of mouth marketing, and help your business stand out.

### 1. Gather reviews and testimonials

Good reviews are one of the most common reasons people decide to use a product or service. Ask your customers for testimonials that you can put on your website, email newsletter or any other advertising. Even better, ask them to leave a positive review on platforms like Google, Facebook or TrustPilot, so people can read them when searching businesses like yours. Remember to do this as soon as you deliver your product or service as this is when your customers will be most engaged.

### 2. Make the most of social media

People are more engaged online than ever, so social media is vital when trying to

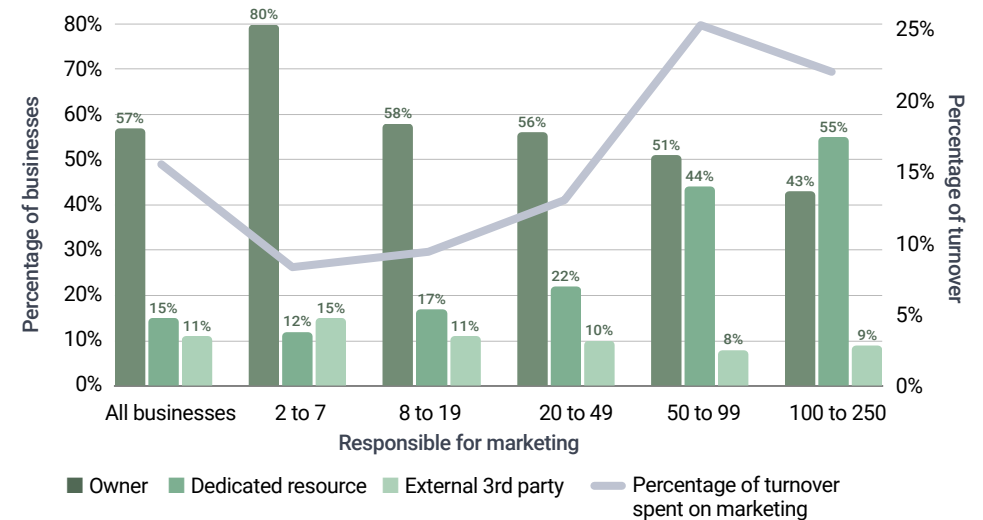
spread the word. Make sure you're posting on as regular a basis as you can manage, and get your employees to share your posts on their pages so it reaches more people. Plus, make sure you're re-posting and responding to any messages you receive about your business. It's not only free advertising, but also shows that you care about your customers.

**“Don't wait for things to happen organically – encourage people to pass on the message.”**

### 3. Use a customer referral programme

A customer referral programme is a great way to maintain relationships with existing customers, and spread the word about your business quickly and easily. You could offer a free gift or discount for every new person a customer refers, or a gift card if they refer

The correlation of marketing spend as a proportion of turnover and business size suggests that investing in marketing is one of the key factors in business growth.



**Only 6%** of businesses state that marketing is not important, yet 22% do not carry out any marketing.

multiple people – how you do it is up to you. But remember to offer the new customer a discount too, so they feel even more encouraged to get involved.

people to do this could get your business seen by five times as many people.

### 4. Don't be afraid of incentives

Incentives don't have to stop with customer referrals. You could set up a hashtag, and offer a benefit to people who post photos of your products. You could send a thank you gift to your most loyal customers to maintain a great relationship. Or you could run a prize competition on social media and get everyone to enter by sharing the post to their stories. Getting even a handful of

### 5. Make it easy for others to share

Don't wait for things to happen organically – encourage people to pass on the message and give them the means to do so. Whether it's business cards, a referral link, a newsletter you can sign up to, or a simple "Share with your friends" on the end of a social post, give your advocates the tools to not just talk about you, but drive business to your door.



# When is the best time to invest in marketing?



Serial entrepreneur **Nigel Botterill** has created nine separate million pound plus businesses over the past fifteen years, all here in the UK. Now, through Entrepreneurs Circle, he helps other business owners to build the business they want.

**We see it** literally all the time. Thousands of instances every month. An entrepreneur has made the commitment and decided to open their own business. They've got dreams and goals. Commitment and hard work. So they plot and plan and put everything into the development of their product, the fit out of their shop or salon, the creation of their website, their logo and their brand.

All the money that they're investing in the business goes on the product, the vehicles, the fit out, the premises...

But they forget the most important thing.

You see, nothing happens in business until somebody buys something. And despite the best efforts of Kevin Costner in 'Field of Dreams' it's just NOT true that "if you build it, they will come!"

Which means factually, objectively, there's only one answer to the question 'When is the right time to invest in marketing?' And that answer is: right at the beginning.

If you've missed the beginning because your business is up and running, then start investing in marketing now. Today. "If you

build it, they will come – providing you market it properly so the right people know about you!" is what Kevin Costner should have said!

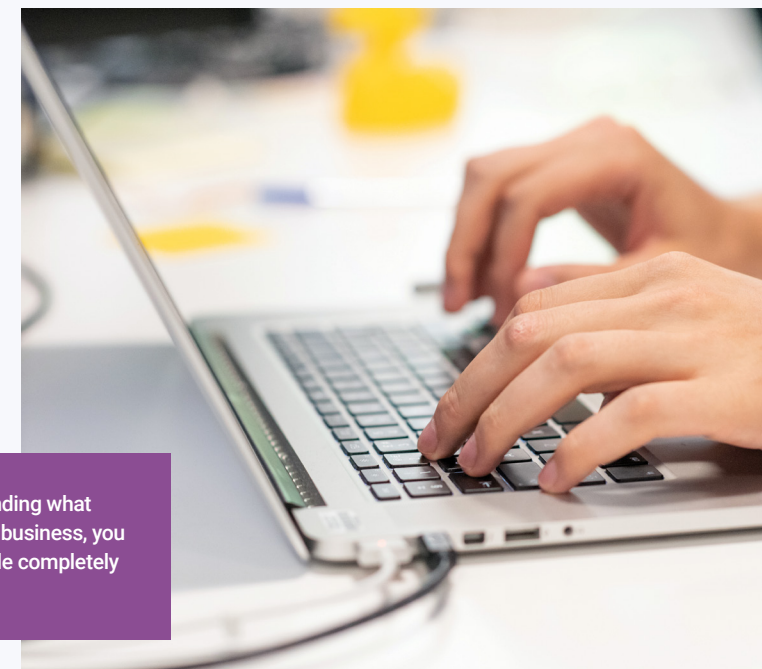
Every sustainably successful business incurs a cost to get a customer. In other words, marketing. Understanding how much you can afford to spend to get a customer is one of the most liberating and powerful facets in business. And contrary to popular belief, the higher that number is, the better.

In 2022 businesses that strive to get all their customers for free, or as cheaply as possible, are the ones who struggle. The successful enterprises, in every sector, are the ones investing in their marketing.

The businesses that are eeking out a living, lumbering from one payroll to the next or struggling to meet the VAT bill when it's due this quarter are the ones that didn't invest in marketing from the very beginning. They're the ones that don't understand that there's a cost to get a customer.

All their eggs are in the basket of their premises or their product but that's not what drives growth. That's not what pays the bills. It's not what makes dreams come true. And it's not what brings in customers. Marketing does.

Cracking the rhythmic acquisition of customers is like the holy grail of business. When you have the right number of customers coming to your business rhythmically and consistently every week, everything in your life is better. Only effective marketing can make that happen. Not hoping or praying, or even Kevin Costner. Which is why the best time to invest in marketing is quite simply the sooner the better. Don't leave it too late...



If you need help understanding what marketing is right for your business, you can try Entrepreneurs Circle completely free at [EC22.co.uk](http://EC22.co.uk)



## Growing your product offering with a hassle-free loan

When David needed more funding to expand his products and services, he turned to Funding Circle a second time for support.

David Cohen and his team at Flower Station deliver their hand-crafted bouquets of flowers all over London from their base – a converted petrol station by Regent's Park.

When the pandemic hit and their online business almost quadrupled, they saw an opportunity to grow their product offering, so came to Funding Circle for a loan to help.

"I had a great experience when I used Funding Circle previously, so I decided to go back when we needed more funds.

"We've used our loan to develop a number of brands, like Love Rose, which offers high-end, preserved roses, and Letterbuds, a subscription service to receive flowers through your letterbox. We also used the funds to work on our online flower school, which offers video lessons to help customers learn how to arrange their flowers.



"The problem with getting finance is that it's generally a lengthy process and, very often, you don't end up getting what you want. I didn't experience that at all with Funding Circle. Everything was clear and easy, and that's what you need when you're looking for finance."

### KEY DETAILS

**Business:** Flower Station

**Amount:** £135,000

**Purpose:** New products and services

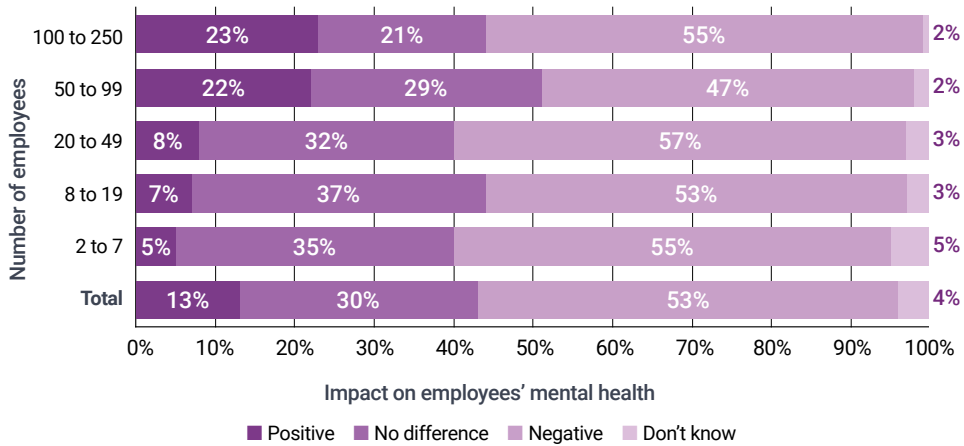
## Staff & wellbeing

Our report finds that owners of businesses with declining prospects are three times more likely to have poor work/life balance. With recruitment and staff mental health being key challenges facing SMEs, we look at how businesses are navigating these areas.

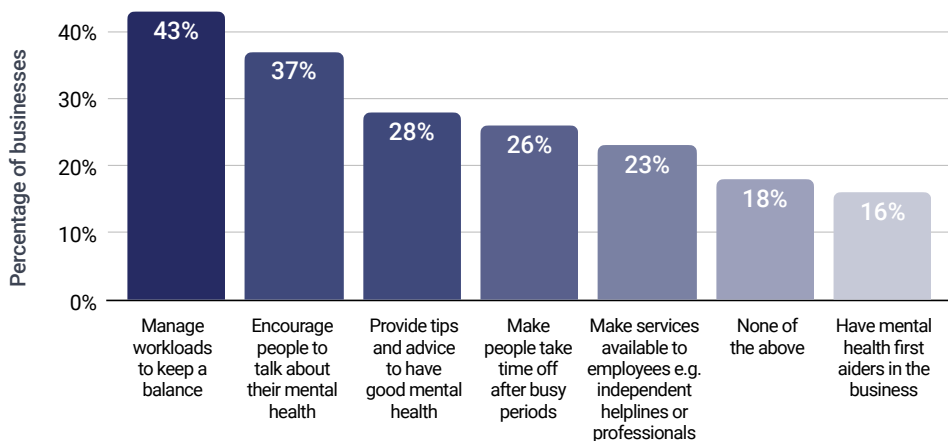


# Mental health

SMEs are reporting that staff mental health has been more adversely affected by the pandemic than the business owners', with more than half of employees negatively impacted across the board.



Businesses are deploying a range of tactics to support their employees' mental health. Only 1 in 5 SMEs are not taking any measures to improve employee wellbeing.



## How to improve work/life balance



**Debbie Bullock**, Aviva's wellbeing lead, talks to us about the importance of work-life balance and how you can promote it in your workplace.

The move towards hybrid working has made the lines between work and home life increasingly blurred. Here's 5 things you could do to improve mental wellbeing within your business.

is really important to switch from work to personal mode. The commute can do this, but if you're working from home, find that opportunity – a walk, a shower and change of clothes, listening to some music, or a moment of mindfulness.

**1. Make work life balance a priority**  
Make sure everyone in your business is looking after themselves. Where an employee has had a significant workload for a while, try to give them back some time with leave or by working fewer hours. Whether you work from home or the workplace, creating a "book end" to the start and close of your working day

**2. Identify stress triggers**  
Look for any changes in the behaviours and working patterns in your employees, but also yourself, as this could be a sign of stress. Keep an eye on your workload or that of an employee to make sure they are manageable, and take note when employees ask for help with their work. This

will help you identify trends, which could put you in a better position to address any underlying problems directly and quickly. There are six main areas\* that can lead to work-related stress if they are not managed properly – demands, control, support, relationships, role, and change.

For example, workers may say that they:

- are not able to cope with the demands of their jobs
- are unable to control the way they do their work
- don't receive enough information and support
- are having trouble with relationships at work, or are being bullied
- don't fully understand their role and responsibilities
- are not engaged when a business is undergoing change

These stressors may not be a big deal if they happen every now and again, but over a long period of time they can impact work life balance, and even lead to burnout.

### 3. Encourage open and honest conversations

Have regular, open conversations with your employees. Create a culture of psychological safety where both leaders and employees feel they can talk about any number of topics (work or health related) with the knowledge that they will be heard with empathy and understanding, and without fear of reprisals. Sharing first person stories from colleagues will

encourage others to be more open, allowing you to help individuals perform at their best.

### 4. Practice what you preach – and if you don't, make it clear why

Workplace culture is an important factor in encouraging good work-life balance. Unless leaders demonstrate the values they want to see from employees, there is a risk of driving unhealthy practices. There will be times where it's appropriate for someone in a senior leadership position to work long hours outside of the normal working day. However, you should make it clear to employees what is expected of them. Good communication is key.

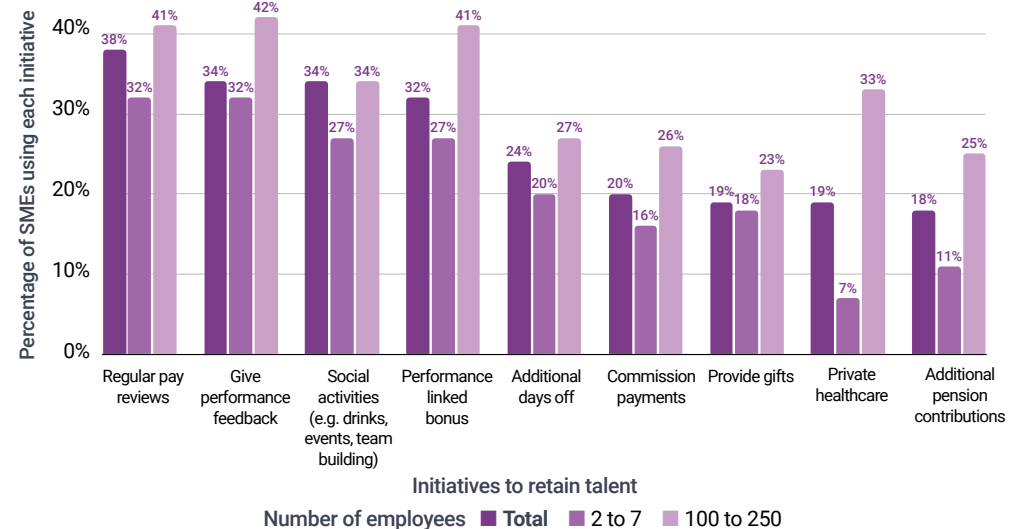
### 5. Review your HR policy

You could consider putting specific HR policies in place that help employees manage the demands on their time. This can help you keep on top of workloads, giving your employees enough time to recuperate and helping you feel more relaxed and organised. You can also give your line managers and employees the tools they need to identify the signs of stress, and signpost to any support that's available through your benefits package.

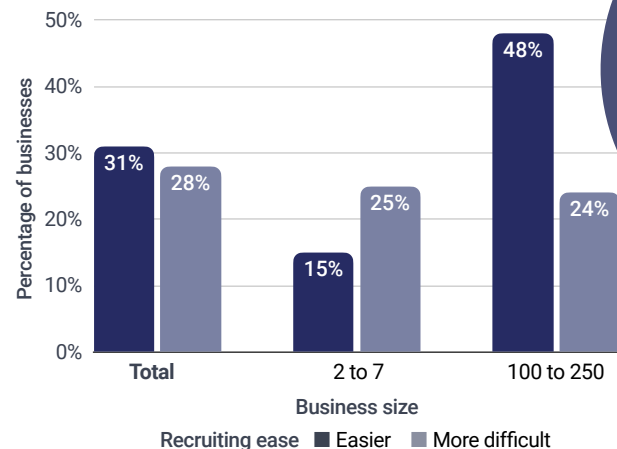
\*Work-related stress and how to manage it: causes of stress at work - HSE

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## Smaller SMEs could employ a strategy typically employed by larger businesses and offer non-financial incentives to retain staff, including performance reviews and additional days off.



## All businesses are finding recruitment harder than 12 months ago, but mid size SMEs have been the hardest hit.



**The pandemic**  
has caused a lot of movement in the labour market. Smaller business owners are more likely to handle all aspects of recruitment and so are struggling with the increased turnover of staff. Larger businesses' key challenges are what others are prepared to pay, the number of other jobs available, and the double impact of a lack of candidates due to Brexit and Covid.



# How to recruit with no time or budget



**Jatinder Bansal**, Director of Talent at Funding Circle, gives his take on what people are looking for in the job market right now – and some tips to help you recruit effectively, even when resources are tight.

**Right now** the UK job market is at an all-time high, with the BBC recently reporting that this is the highest number of jobs available since 2001. But the difference now is that there's been a real shift in people's motivations since the pandemic – with job stability, role scope, flexible working options and company mission all becoming increasingly important to candidates.

As it's such an employee driven market, and with many larger brands out there

with more resources at their disposal, small businesses will need to get creative when trying to attract talent. Think online as well as offline, with video and mobile content more engaging to people than ever. But also think about the reasons people are currently moving jobs; flexibility, better management, compensation, company ethos and learning opportunities. Addressing these areas openly and honestly will make all the difference in your hiring process.

As a small business owner, you are more likely to be the person looking after recruitment while managing everything else, so here are my top tips for making this process as easy and efficient as possible.

## 1. Hire at the right level

Every small business is unique and has different cash flow pressures, so you need to hire someone who will be an asset when the business is going well, and not so well. Consider whether it's the most cost-effective to hire someone full time, part time, on a temp basis or as an apprentice, and make sure you factor in any training or material expenses.

## 2. Think skill vs passion

Finding someone who is skilled for the job may be your priority, but the winning factor will come from their passion. If someone is skilled but doesn't care about your business, it's likely they won't fit in with your ethos or staff. Include your passion in the job description to catch attention, and think of questions you can ask to find out what they care about.

## 3. Good people know good people

Always ask your network who they can recommend. Your staff and suppliers will know better than anyone what your business needs, and they might know someone who could be a good fit. Plus, there's a higher chance someone would want to work with a friend or

recommended company than a business they have no connection with.

## 4. Get yourself out there

People are attracted to businesses that are ethical, transparent and generally seem to treat people well, so ask your customers and employees to leave a review on websites like TrustPilot and Glassdoor. Or, if you know the audience you want to target for the role, get active in their communities. Networking and referral schemes are a great way to not only get customers, but also meet potential hires.

## 5. Be prepared

It takes practice to know what to ask and when during an interview, so plan some questions ahead of time and make a list of the things you're looking for. Remember, people have a lot of options right now, so making sure you're prepared and have read their CV or LinkedIn profile will really help you make the most of the limited time you have together.

## 6. Be honest

Being honest during the interview is one of the best ways to get an employee to join you, but there's a fine line between over-selling the role and being too open about the challenges. Be honest with yourself too – have a clear view on what the job is and understand what you can be flexible on. What is a 'must have' against 'nice to have' in a candidate's experience or skill set.



# Finance to fund marketing and growth

Danielle and Jane took out a loan from Funding Circle so they could invest in marketing and grow their brand.



Danielle and Jane started Try Time, rugby coaching for kids, out of a want for their own children to get out in the fresh air with their friends. When they realised there wasn't another outdoor rugby club for kids on the market, they started scouting out coaches and parks around London, and their first club was born.

While Try Time saw initial success, they weren't able to pay for marketing – and without marketing, they couldn't grow. That's why they decided to take out a loan with Funding Circle, so they could start advertising themselves properly and set up more clubs to get their brand out there.

"It really sped up the process of becoming what we are now. The Account Manager who dealt with us was just amazing, and it was so extraordinarily easy, we've talked to other people about how good it is."

Try Time now have 16 clubs operating across London, and more in the pipeline.

#### KEY DETAILS

**Business:** Try Time

**Amount:** £10,000

**Purpose:** Marketing and growth

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