

Business Doctor

A panel of experts from the Chamber answers your business dilemmas



The current economic downturn has claimed many High Street retailers and left landlords with tenants not able to pay rent or fulfil lease obligations. Is there anything I can do to alleviate the situation?

HELEN MARSH Property Associate at Kippax Beaumont Lewis Solicitors:

Times are undoubtedly tough at the moment, but there are steps both tenants and landlords can take to help alleviate the situation.

A tenant in difficulty could take advantage of a break clause giving an early exit from the lease to end their rental liability and could re-negotiate better terms in the current market. Tenants could also try to negotiate some kind of concession – many landlords would be willing to consider this if it means their tenant stays solvent and able to pay rent.

From the landlord's perspective, if a tenant does not pay its rent it may be possible to withdraw monies from a rent deposit, collect rent direct from a sub-tenant, send in a bailiff or sue to recover rent owing – the threat of a County Court judgement on the record may be enough to prompt the tenant into paying.

Tough times call for tough measures by landlords and tenants alike. Many retailers have cash flow problems and are asking their landlords if they can pay rent on a monthly basis instead of quarterly. If a revised payment schedule or other concessions are agreed both parties should cooperate in properly documenting the agreement to ensure that they are both protected.



As a small company what support can we offer to our employees in a redundancy situation on top of any statutory redundancy payments we are required to make?

SHERREE SCHAEFER Director of Two Sixty Ltd:

Research shows that there has been a 50% increase in outplacement support over the past few years. Outplacement, also known as career transition, is the name for support provided to employees who are required to make a career change, often as a result of a redundancy

situation. Outplacement support can consist of workshops, seminars or individual face to face coaching.

The content typically includes subjects such as handling personal change, self marketing, understanding the job market, CV preparation, interview skills, networking and general career management. There are many benefits of outplacement both for the employee and the organisation:

- Employees feel supported during a period of uncomfortable change
- Providing timely support can counteract the negative impact of job losses and improve the reputation of the organisation
- Outplacement support helps the employer to meet their legal obligation to mitigate the effects of a redundancy situation
- There is evidence of improved staff morale, motivation and productivity during the transition
- Managers are supported in delivering and reinforcing difficult messages during what can be a challenging period.

It is considered best practice to offer some form of support in a redundancy situation. If the company is unable to afford a full outplacement package – smaller scale initiatives such as CV writing or interview workshops may still be affordable, whilst meeting the immediate needs of employees and supporting them to make their next career move.



I keep hearing about Green IT. My company wants to reduce our operating costs and be greener, but we can't afford to compromise the reliability of our IT systems. How can we achieve this?

TRACY BARLOW Marketing Director of 24/7 Uptime Ltd: If your business wants to become greener and reduce energy costs then of course you can take the easy step of turning off PCs, printers and lights etc when not in use and use power save modes.

On a more strategic level, if your business currently uses multiple servers for business critical systems such as email, web, databases, Blackberry systems etc then affordable IT solutions

are available that reduce the number of servers required.

As a rule, servers tend to use only 15% of their processing power. By reducing the number of servers in your business and pooling the resources of the resulting leaner, more efficient hardware, fewer servers work together to keep your systems up and running, no matter what.

By eliminating costly system downtime, the initial investment of 'going green' can be recovered relatively quickly. You also enjoy the benefits of reduced energy costs, reduced server room air conditioning costs and reduced maintenance and support costs. This affordable IT solution means you can invest in the future of your business without spending a fortune.



I run a cleaning business and want to expand but haven't got the capital to make acquisitions. I've heard that setting up franchises will be easier and cheaper. Is that true and how easy would it be?

ANDY MCNISH Partner at Davis Blank

Furniss: A business that seeks to grow in the normal way has to hire and train up its own employees, buy its own equipment and advertising and rent its own premises. The main advantages for an expanding business in using the franchise model are that services can be rolled out faster, more widely and with much less capital.

Your income from franchising comes from the set up fee at the outset (and renewal fees) and selling on branded equipment and consumables to your franchisees at a mark-up. Your franchisees take most of the financial risk and build up your brand for you. No wonder this sounds an attractive option.

However there are potential disadvantages too. You need to convince franchisees to buy-in at a pricing level that is worthwhile for both. Your know-how and either your brand name or contacts need to be good enough to enable the franchisee to find work.

You will need to distil your successful business into a franchise model and learn the skills required in managing and supporting franchisees (which are not the same as supervising employees). This is by no means easy. Usually to do