



---

# Back to Business

We'll be starting at 11am so bear with us for a few minutes...



---

# Back to business

Getting your business back on the road

Carly Brookfield and Marc Ford



---

**Looking at how we make your business fit  
for the road again and ready for a  
challenging environment post lockdown.**



## What we'll cover in this session

- Stabilising your finances - counting the costs
- Back to basics - revisiting and rebuilding your business plan
- The 4 Ps
- Marketing out of a downturn
- Contingency planning to manage future risks



## Stabilising your finances



- Businesses need a strong foundation – COVID-19 will have severely damaged most business' foundations
- The first step is to assess how deeply your business has been affected.
- Start with the hard numbers. If you haven't updated your financial statements—such as profit and loss or cash flow statements—recently, it's helpful to do that now.
- Compare now to last year's numbers to see how much your business may be down.
- Where have your losses mainly been?

## Stabilising your finances



- Knowing where you are helps you know where you need to go – to recover to ‘normal’ income levels how much do you need to earn, and how are you going to get there (your business plan)
- What costs will you have in rebuilding your business – marketing, customer engagement and retention,
- New costs such as PPE?
- Rising costs
- What are your income projections based on a new norm – i.e. potentially less lessons and less pupils per month?
- Where can you lower costs to plug income gaps, offset other rising costs?
- Consolidate finances – how exposed to debt and interest rates are you?
- Changing providers – reducing costs , home and business
- Consider lending – Business Bounce Back Loans

## The new normal – less lessons and pupils, more costs, more competition?



- Once you know how far you have to go to recover to normal levels of income (calculated by the differential in YTD 2020 and YTD 2019) you need to work out the plan to get there and what it will cost.
- New additional costs to consider
  - Establishing new safety protocols may mean shorter lessons and less pupils per day – factor in those ‘costs’ and the potential drop in income
  - Cost of PPE – even if you only provide PPE for yourself you will have more costs in your business and not just in the short term
  - Marketing - depending on how long before you return to work, how competitive your landscape becomes, do you need to invest more in marketing?
  - Recessionary environment – less pupils, less demand, more competition?
  - Rising costs of products and services you need? Fuel, cars etc?



## Revisiting/building your business plan

- You need a plan Stan!
- If you didn't have a business plan before, you need one now
- COVID-19 should make every business aware of its need to build resilience – resilience comes from strong foundations:
  - Financial stability
  - Business Plan
  - Budget
  - Regularly revisiting all of above and revising where necessary
  - Risk Management





## Plan to succeed

---

- Write and maintain a business plan
- Your roadmap in general – and out of this crisis
- Evaluate progress against it regularly
- Adjust to take advantage of opportunities or to reflect change in business/market
- Useful to have if ever pitching for business or for investment. Some large corporate or tenders will ask for one.



## What should go in a business plan?

- Executive summary – what your business is, what it does and where it sits in the market, should include company and product/service descriptions. Helps you write your elevator pitch
- Market analysis – tied to the above, what does the market look like – current and future
- Competitor analysis – know your enemy!
- Marketing/Sales strategy – too often overlooked in a business, critical to any business, full time or part time. How are you going to market and sell what you do?
- Organisation and management – who does what and how is it managed, quality and management systems etc
- Financial Analysis - a brief snapshot of your company's financial performance, key income and key expenditure plus any forecasts for growth (or potential losses).

# Core Marketing Pillars

## The Marketing Mix

- The four Ps are the four essential factors that come into play when a good or service are being marketed to the public.
- The four Ps are the product (the good or service), the price (what the consumer pays), the place (the location where a product is marketed), and promotion (the advertising).



# Core Marketing Pillars

## The Marketing Mix

- Product
- Price
- Place
- Promotion



# Price

---



- What you charge needs to change
- How you charge needs to change
- Your costs may rise, yet the number of lessons and pupils per week may decrease
- Will your prices therefore have to rise?
- Now you are more acutely aware of income risk – will how you charge have to change?



## Price – have you done the maths?

When pricing a driving lesson using the cost-based method there are a number of things to be considered. Including:

- car (bought or leased)
- fuel
- servicing, maintenance, cleaning
- road tax (where applicable)
- insurance
- depreciation (on purchased cars)
- interest on loans for cars etc
- telephone charges and administration fees
- franchise fees
- accountancy fees
- marketing costs
- any professional or business related subscriptions
- ADI licence (DBS checks)

## Additional pricing factors



- Pension contributions
- Personal accident/hospital sickness insurance/income protection.
- You may also wish to allow additional income for holiday or short- term sickness.
- You will then need to add on your fixed profit percentage.
- You may find it easier to work these costs out on a monthly basis then divide it by the amount of hours you spend teaching.
- Once you have arrived at your figure, compare them to what you are current hourly rate.

**Don't be surprised if the figure is over £30 an hour**



## WARNING – Costs will go up!

- Factor in new costs such as PPE,
- 'Cost' of less lessons and less pupils
- Operating costs going up across board? Insurance, car prices, fuel prices? Look at the forecasts and factor in price increases on products and services you need to deliver your business
- You may need to spend more on pupil acquisition and marketing in general



# Value yourself, your business and profession

---



- Valuing what you offer as an individual instructor properly helps the public value driving instruction more generally
- Even a small increase can result in a bigger gain at the end of the year
- Know your worth and know how to sell that worth (Elevator Pitch)
- Charging more per hour can help you net back that other valuable commodity - time
- An small hourly increase can make a big difference to annual income

## Small changes, big difference?



- Current price: £24 per hour
- Hours worked: 40 hours
- Weekly income: £960
  
- Price increase: £28 per hour
- **Small increase = bigger annual income + opportunity to work less hours**
- **Look at what other trainers in other fields charge – do driver trainers generally undervalue themselves?**
- Hours worked: 35 hours
- Weekly income: £980



## Lock in income

---

- Change the traditional model
- Consider block bookings from upfront/minimum number of lessons so you lock customers in
- Incentives for block bookings – locked in revenue more valuable than sporadic hand to mouth approach
- Loss leaders to lead to block bookings
- By contract – commit to X lessons, staged monthly payments over fixed period
- Post test sales – what can you offer, lengthen the relationship
- Ensure T&Cs don't leave you exposed cost and income-wise. Ensure you have T&Cs and they cover late notice cancellations etc, what happens if someone wants to cancel a block booking etc



## Engaging with your pupils/customers

---

- Should have been engaged throughout the crisis = retention
- Were they locked in? Lock in in future (see pricing)
- Advice
- Answering concerns and queries
- Virtual learning to keep them updated, upskill and engaged and retained
- Survey them – feelings, wants and needs about returning to lessons
- Offer reassurance – your new protocols and procedures
- Parental decision makers may need the most persuasion and reassurance
- Brief them on the new normal



# Marketing out of a downturn/crisis

## Understanding your customers

- Understand customers are different and will have reacted to the crisis in different ways
- Understand how customers want to be communicated to and brought back into the fold based on above
- Triage your customers – who are your low hanging fruit who want to get back to learning ASAP and have the wherewithal and motivation to do so?
- Motivated pupils?
  - Those who will need to drive for work even just in the short term (predicted increase in commuters by road)?
  - Those who fear using public transport and want to make the switch
  - Those less damaged financially by the crisis?
- Tailor your marketing strategy accordingly

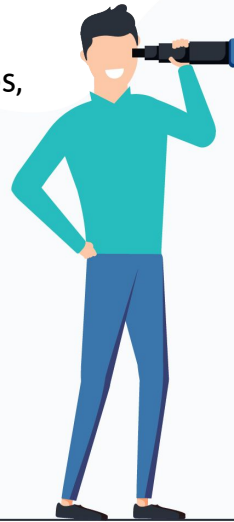


## Risk proofing your business

- A pandemic of this scale is unprecedented - but your business is at risk at all times from a number of factors
- Road risk
- Compliance and Regulatory risk
- Economic risk
- Competitive risk
- Reputational risk
- See our Risk Management webinar in the Academy for more advice
- New Risk Management course coming soon
- Robust and risk mitigating actions - business plans, policies and procedures and contingencies

## Any questions?

- Remember we've recorded lots of videos, webinars and sent out regular email updates, on all of these subjects, so it may be useful for you to revisit some of our resources in DIA Academy, Member emails or YouTube
- All our COVID-19 advice is signposted from the website homepage ([www.driving.org](http://www.driving.org))





Email [support@driving.org](mailto:support@driving.org) for help and advice for anything you need help with.

We can:

- Listen to your questions and help you answer them;
- Over the phone, email or video calls;
- Arrange weekly calls;
- Help you with learning materials and content; and
- Discuss any other support you may need.







## Want to learn more?

Check out our short online courses available on 'DIA Academy'

See [diaacademy.co.uk](https://diaacademy.co.uk) for all course information and booking or call us on **020 8686 8010**

DIA ADI Helpdesk





Want to learn more?

Next Webinar is:

Friday 22 May at 11am

PPE

[diaacademy.co.uk](http://diaacademy.co.uk)





## Want to learn more?

**ADI Masterminds:**

Tuesday 27 May 2020

Wednesday 28 May 2020

**[HTTPS://BIT.LY/36IDRVG](https://bit.ly/36IDRVG)**





---

# Thank you for attending

Keep up to date with all events and services  
at [driving.org](https://www.driving.org)

And be sure to check out our new online  
training centre [diaacademy.co.uk](https://www.diaacademy.co.uk)

