

# CONNECT LOCAL

Scotland's local food  
and drink marketing  
advisory service

## Good Practice Guide

Turn your ideas into action:  
Capability, resources and readiness



# Capability, Resources & Readiness

This Good Practice Guide aims to enable you to judge your capability, and assess your resources, to allow you to grow your business, take action on a great idea, or put some inspiration into practice. Whether you've recently attended a workshop or seminar that has inspired you, or you feel it's the time to take your business to the next level, this guide aims to help you to take the next step in the best way.

This guide will look at:



## What is business capability?

Business capability refers to the capacity or ability of your business to achieve your goals and succeed. Break down your business capabilities into eight key areas; (The CMMI Institute -Capability Maturity Model Integration)

- **Product Development** - understand customer needs and design/build a solution to meet those needs.
- **Service Delivery and Management** - control your costs whilst reliably delivering services that satisfy your customer.
- **Supplier Management** - ensure that your suppliers can consistently deliver what you need. Consider your suppliers of raw materials/inbound goods, as well as your wholesaler/distributor/sales channel.
- **People Management** - develop skills, build teams, and manage performance to ensure the size and capability of your workforce meets key business needs.
- **Data Management** - manage your data effectively, improve the quality of the data you collect, receive and share, and ensure it improves your business performance.
- **Project and Work Management** - plan and monitor work. Ensure you have a plan in place, and review it daily, shaping it to the needs of the business.
- **Process Management** - define and improve processes that support business goals. Simplify and focus the business.
- **Supporting Infrastructure** - measure what matters the most to the business and make all your decisions to support this

# Capability - Scalability

Once your business has a firm grasp on its capabilities, you can begin to look at 'scalability', the business' ability to handle a growing amount of work, improve your service and processes, and increase your total output.

Healthy business growth is hard, if not impossible, to achieve without the firm foundation of its capabilities being well managed, well understood and well ingrained. In order to generate growth, you may choose to scale up your business, to increase your profitability and reach new markets.

Four finance focused questions should be asked before a business seeks to grow;

**1. What will my initial financial outlay be in order to achieve growth?**

What is the increased cost of goods, labour, overheads etc.

**2. How will my current operating costs be affected by growth?**

Clearly determined monthly operating costs, and a model of how these will fluctuate with increase/decrease in supply/demand.

**3. What will my finances look like if I do, or do not achieve this growth?**

Will the finances be continually re-invested to fund future growth? Will you require additional funding sources to support you throughout your growth? Do you have enough in your emergency operating fund to ensure the future of the business?

**4. What do I need to ensure my own success?**

Understand the additional customers or revenue to break even. Decide upon a realistic timescale for significant cash flow. Ensure you have the investment required to sustain the business.

Businesses that have a full understanding of their finances, and solid contingencies behind them are much more likely to succeed in growing their businesses. You cannot halt your development and innovation mid flow, to seek further funding. Once you have established your capabilities, and decided that you want to scale up, it's time to look at your resources.

The Prince's Trust provides advice with your Financial planning, and tools for budgeting – [Finance Advice & Business Tools](#)

Further resources can be found here, [Business Gateway's Finance advice](#) and [Scottish Government Business Cash Flow Management](#)

| Resource           | Tips   | Links   |
|--------------------|--|---|
| Financial Resource | Look at capability and scalability factors, Understand and map your cost vs income. Access Business Gateway's cash flow projection spreadsheet, Research potential funding streams or investment opportunities.  | <a href="#">Business Gateway Cash flow Forecast</a><br><a href="#">Connect Local Funding Advice</a><br><a href="#">Scottish Enterprise Attract Investment</a> |
| Human Resource     | <p>Effectively analyse the output of the business and identify if there is a need for additional human resources</p> <ul style="list-style-type: none"> <li>• Assist with increasing workload to facilitate growth</li> <li>• Replacing an employee who left – analyse skills and experience the business needs</li> <li>• Bring in a new skill or new experience to the business</li> <li>• Temporary workload increase</li> <li>• Cover for the business owner</li> </ul> <p>Is your employee/team motivated and trained?<br/>Consider the type of employment you need. Full/part time, contractor or subcontractor (employed or external), modern apprentice, work experience or an internship?<br/>Could you reorganise and redistribute the workload to make the current team more efficient? Could you promote existing staff and delegate more work to them? Could you offer overtime? Can you outsource your administration to an expert firm, saving you time and ultimately money?</p> | <a href="#">Skills Development Scotland Our Skills Force</a><br><a href="#">Business Gateway Employing People</a>   |

| Resource           | Tips   | Links  |
|--------------------|--|--|
| Physical Resources | <p>Are your current land/ buildings/ offices / water and power supply sufficient to sustain your growth?</p> <p>Do you require any new machinery or manufacturing equipment?</p> <p>Do you require more storage areas or processing areas?</p> <p>Consider if your current vehicle (fleet) and distribution network is adequate to handle growth in supply.</p> <p>Is your IT equipment and hardware up to date and ready to handle an increase in the business? If you have added people to the business, do they require IT/ Hardware in order to facilitate the growth?</p> <p>Are your point of sale systems up to date, fast and do they supply you with the data you will need to analyse and track your growth?</p> <p>Are your current environmental requirements and waste management systems equipped to deal with the growth of your business in a sustainable way?</p> <p>Where possible, can you automate your processes to reduce the time requirement on the business? Think about Cloud storage, training processes, automating your social media platforms, and perhaps your payroll system with a clock in or salaried system.</p> | <p><a href="#">Connect Local Business Experts</a></p> <p><a href="#">SAOS Business Consultants</a></p> <p><a href="#">SAC Business Consultants</a></p> |

# Resources

| Resource              | Tips   | Links  |
|-----------------------|--|--|
| Educational Resources | <p>Become as educated as possible about your industry. Understand your competition, through market research; you can access a free Market Insight Pack from Business Gateway. Equip yourself with a deeper understanding of the industry. Stay up to date with the Scottish food and drink industry by checking Scotland Food and Drink, SAOS, SRUC, Seafood Scotland, and FDF Scotland</p> <p>Ensure you stay active on social media pages, some of your best and most up to date industry info will come through these sources.</p>  | <p><a href="#">Business Gateway Market Insight Pack</a><br/><a href="#">Scotland Food and Drink SAOS</a><br/><a href="#">SRUC</a><br/><a href="#">Sea Food Scotland</a><br/><a href="#">FDF Scotland</a></p> |
| Emotional Resources   | <p>Do not underestimate your need for emotional resources. <a href="#">Maslow's Hierarchy of Needs</a>(1943) shows the importance of human health and happiness on the output of a business. Some emotional resources you may consider are; Professional mentoring services . This can be a good way to check in, and ensure that you are on the track to success, lay any of your doubts to rest and improve your confidence in your plan. You could consider membership of a professional group or association such as your local Chamber of Commerce, or even join a group on social media which provides support and advice.</p> | <p><a href="#">Chambers of Commerce</a><br/><a href="#">Scotland Food and Drink</a><br/><a href="#">SAC Business Consultants</a><br/><a href="#">Connect Local Business Experts</a></p>                      |

You have now established your capabilities and concreted your resources, so how do you know when you are ready to take that next step into business growth?

Ensure you have a fully comprehensive business plan. There are a couple of good options available for free online at [Business Gateway](#) and [The Prince's Trust](#). Or alternatively you could seek the advice of a business consultant, firm or group to help you put your best foot forward.

Every business plan will contain at a minimum,

- **The Executive Summary** - a description of who, what, where the is the business.
- **The Business Capabilities** - covering the idea, goals, what the business does, what makes it different and the legal requirements.
- **Educational Resources** - market research, customer/competitor profiling, SWOT analysis, managing risk, pricing and promotion and advertising.
- **Human Resources** - who the key staff are, what they do, and how that contributes to the goal and vision of the business.
- **Physical Resources** - premises, suppliers, equipment etc.
- **Financial Resources** - start up costs, profit and loss accounts, forecasts and budgets, cash flow management, and any funding sources/investment.

Now finally, take your capabilities, your resources, your business plan and turn all of that into ACTION.

## 5 A's for ACTION

### 1. A – Action plan

Simplify and focus your idea/inspiration/opportunity into an achievable action plan. Link your action plan to your overall business plan, and ensure you review the action plan daily. Mark off actions as complete or outstanding, and ensure it becomes a living part of the business.

### 2. A – Align it

Compare your idea/inspiration/opportunity with the vision and goals of the business and ensure they are aligned. If you and your team can stand behind it and believe it, it's more likely to be actualised.

### 3. A – Analyse it

Create a "SWOT" analysis for your idea/inspiration/opportunity. Carefully analyse each Strength, Weakness, Opportunity and Threat and make the final decision on whether to carry forward your idea/inspiration/opportunity forward. This will ensure you fully understand all of the possible outcomes, and roadblocks and nothing should come as a surprise.

### 4. A – Achieve Results

Use SMART targets to help you achieve your desired results. In your action plan, ensure you are looking to achieve specific, measurable, achievable, relevant and trackable/timed goals. If you cannot attribute all five criteria to a point in your action plan, rethink it.

### 5. A – Accelerate

Ensure you keep up momentum. Move fast and remember how competitive the market is. If you don't pursue an opportunity in front of you, the chances are, someone else will! Setting dates and deadlines for work, leaves you with the opportunity to procrastinate. You could instead try to set small milestones or goals that you are driven to achieve.

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Please visit our website to connect with other useful sources of information including funding, our latest good practice guides and an up to date list of events.

