

TOUGH CHALLENGES
NEW POSSIBILITIES

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is to be complacent.

Alison Hutchinson CBE

Chief Executive, Pennies

Welcome to 'Tough Challenges, New Possibilities', the interview series that asks business leaders for their advice for small businesses to adapt and thrive in these challenging times. We spoke to Alison Hutchinson CBE, an award-winning leader disrupting the charity sector, with over two decades of senior experience across the financial sector.



Photography: Thomas Skovsø

Alison Hutchinson CBE

Chief Executive Officer, Pennies

Alison Hutchinson is the CEO of Pennies, an award-winning fintech charity making digital giving affordable, sustainable, and feel-good. She is also a non-executive Director of LV= and the Senior Independent Director at DFS plc and Yorkshire Building Society. In 2016, she was awarded a CBE for services to the economy and charities.

What's been your biggest business challenge?

I've been fortunate to have had experience working in a range of business sizes – from SMBs through to international technology giants. Typically, no matter the size, I've found myself involved in organisations that have gone through a lot of change. The biggest business challenge has always been defining and living a vision and purpose. A lot of leaders think you can simply clarify what you do and leave it there, but you've really got to galvanise it by surrounding yourself with the right talent who also have the right attitude.

And your biggest personal challenge?

I'm a busy person wearing many hats – mother, wife, CEO, Non-Executive Director. So many talk of time management and the best way to divide your time, but I think energy management is far more important, and can be a challenge to implement. It's all about positive choices and I love to be busy, but it's important to



define how I manage my energy to show up for the person or project I'm involved with, and give my best self.

What's the biggest challenge small businesses face coming out of the pandemic?

The pandemic has really accelerated a lot of the trends that were already happening. We have digitally savvy consumers that have a multitude of options and expectations at their fingertips. These consumers want to be able to buy from the channel of their choice, get value for their money, and they want organisations they can trust and respect. They're asking questions of businesses about their activities and how these align with the environment and communities. Small businesses need to ensure they're responding to these needs and questions.

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How important is leadership in coming out of this crisis?

Effective leadership means being visible, and ruthless in decision making but compassionate in the execution. Use your strengths as a differentiator. By nature, most small businesses are engaged in communities. Large organisations are watching as consumers shift to wanting to support their local businesses and they're working out strategies to embed themselves more into the community, but small businesses have an existing advantage. Use it.

Do you buy talk of returning to a 'new normal'?

No, I don't think there's ever a "normal". To believe in a "normal" is to be complacent. There are elements of normality in our society – for example, we will be able to go to the park and have kids parties again. But from a business perspective, we've seen organisations have been able to accelerate technology projects because they've had no other choice. We've seen huge workforces mobilise and very effectively work remotely. I'm not sure that pace will ever slow down. Strap on your seatbelt, head for your destination and enjoy the ride!

What role can technology play?

For SMBs, it will be important to understand your digital community. Almost all businesses will be using technology to run their business, but it's now time for SMBs to consider how technology can help to reach their customers. Not only as a channel for sales, but also as a channel for marketing and delivering customer support.

How can banks and financial services companies do a better job in helping small firms?

We've seen an awful lot of challenges around surviving throughout the pandemic. The biggest thing a bank can do for a small business is understanding their business plans and how they might be able to support in any debt or loan management. It's a key time for banks to work out how many SMBs are struggling as a result of the pandemic, and how many are struggling in general, and put in place measures to lift them out of survival mode where their business plan demonstrates sustainability.

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How can technology enable small businesses to make a difference?

Thinking broadly, one of the sectors hurt the most in the pandemic is the charity sector. Over half of charities aren't sure they have the resources to manage through the winter requirements, 52% have seen a reduction in voluntary income, and 43% either have or soon will be making redundancies. The pressure on charities has only increased. One of my organisations, The Pennies Foundation, enables small businesses to support local charities and contribute to easing that pressure in a cashless society by swapping out the physical coin box with an ability to donate using a payment terminal in-store or an online checkout by prompting customers to donate a few pennies with their transaction.

What excites you most about the next five years?

The channels of access for consumers are ever-expanding. We're increasingly seeing the uptake of marketplace-style curation online and it's a real opportunity for SMBs to be seen and heard across all the platforms consumers are using. But they must keep moving and ensure they're part of these marketplaces – don't get complacent.



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What's impossible in business today that will be fully possible within the next ten years?

The growth of technology aside, one thing that large organisations are being challenged on more and more by shareholders is Environmental, Social and Corporate Governance (ESG). Particularly with the pandemic, there's increased scrutiny from shareholders and consumers as to what organisations are doing, and how they're doing it. Small businesses have got a chance to get to know the source of their products and using technology to do more for profit, people, and the planet. With that increased scrutiny on ESG, by 2030 we should all be focused on trying to be net positive of environmental impact.

If you were to start in business again, what would you like to disrupt?

I'm having so much fun disrupting the charity sector right now through the charity I lead, The Pennies Foundation. My background is in financial services and technology so I've taken that knowledge to disrupt 'giving'. We believe we can make an ecosystem that leads to change that isn't driven by profit, and we've got to continue using technology to help give the public that opportunity to feel good and make a difference. So far, we've raised £26m and helped over 600 charities with about 150+ organisations in our ecosystem. It's about driving impact and value, and I would be keen to continue disrupting this sector.

What is the importance of social purpose to you – in both big and small companies?

Simply running a business is no longer enough. There's an expectation of companies of all sizes to have a broader social purpose. For example, we saw this put in practice simply with toy store, The Entertainer, when it established a 'quiet hour' to allow parents of children with Autism to shop in peace, creating a community where families feel comfortable. Consumers will increasingly steer towards businesses that align with their values, and it should be something businesses are focusing on all year, not just as a one-off.

What do you think is the future of social purpose – has Covid accelerated that in your opinion?

The facts have suggested it simply has. We've all had to adjust and fundamentally change our lives. In doing so, we've had much more time on our hands to consider what's important to us. From clothes shopping, to shopping local. People in general are being far more conscious about their spending and how we can further benefit small businesses and the planet.

