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## **How Business Needs to Prepare To Exploit the Economic Recovery**

The Society for Advancement of Consulting® (SAC®) asked its global membership to evaluate the current ideas to maximize the exploitation of the economic recovery when it inevitably arrives. Here is a representative sampling.

“We had nearly 50 reports from around the world,” noted Alan Weiss, PhD, the SAC CEO, “so I’ve distilled the representative samples.

Phil Symchych is an expert in entrepreneurial business growth. He is the president of Symchych Consulting Inc., a strategy consulting firm in Regina, Canada ([www.symchychconsulting.com](http://www.symchychconsulting.com)). He offers these insights:

“Many entrepreneurs are immersed in the day to day, especially during these challenging economic times when they are busy reducing costs, restructuring talent and retaining customers. Some are pedaling like crazy just to try and stay in the same place and are too busy to notice that the handlebars are loose. This is the time to tighten up the organization’s focus on the most profitable customers and segments that they presently serve or could serve in the future”

Key points for clarifying your strategy:

- Talk to your customers to find out how they really use your product or service and what they value most about your offerings.
- Find out which customers and industries are growing.
- Analyze your gross margins by product or service line to weed out or fix up losers and emphasize winners.
- Analyze your customers by revenue, profits and, most importantly, potential.
- Focus on the two or three best opportunities for growth in terms of market share and cash flow – this will make growth self-sustaining.
- Develop metrics for your best opportunities and build these in to your reporting and action plans so you can hold people accountable and be focused on results.

Gary W. Patterson, president of FiscalDoctor® in Boston, MA suggests his clients critically answer these questions:

1. What are the three best opportunities you could create longer term and what do you need to do to best pursue those opportunities?
2. What are the top three concerns you have about meeting this year's budget submitted?
3. What actions can you take to minimize the risk of those concerns on this year's budget?
4. What are the three top longer term risk area concerns of the Company today and how would the Company react if those concerns materialized?
5. What are the three most crucial infrastructure issues you face over the next one or two years?
6. How will the oncoming Renewable Energy World impact the company for good or bad?

Dr. Maynard Brusman is a consulting psychologist and executive coach. He is the president of Working Resources, a strategic talent management firm in San Francisco, California [www.workingresources.com](http://www.workingresources.com).

“There are some positive signs that the economy is beginning to turn around. Study after study shows that companies that maintain or increase their marketing efforts during a recession experience higher sales during the recession and for at least two years following the recession. On average, companies that avoided cutting their marketing had sales at least 50% greater than their competitors.

“Leaders need to keep their employees fully engaged and morale high. They need to exude positive energy, create a clear vision, build powerful teams, care about people, reward excellence, make solid decisions, innovate and execute.

“It is important for company leaders to exercise exquisite judgment in balancing short-term and long-term needs. When the upturn arrives there will be ample opportunity for companies that are primed and ready to seize the future outpacing competitors. Inventing the future in collaboration with leaders at all levels of the organization is one essential definition of leadership and business success.”

Pat Lynch, President of Business Alignment Strategies in Long Beach, CA, notes:

“There are many actions businesses can take that will have a significant impact *now* as well as accelerate their success during the economic

recovery. Three of my top suggestions involve the way we use language; they cost little or nothing to implement.

- Because our language effectively sets expectations and defines the boundaries of the organizational playing field, focus on using big, expansive, positive language. For example, leaders who speak about *thriving* during current economic conditions open the door to creativity, giving employees permission to seek new opportunities that dramatically expand the playing field in previously unanticipated directions. In contrast, those who talk about merely *surviving* foster a victim mentality that leads to small, “let’s just hold on and hope for the best” thinking and shrinks the field.

- Frame questions in ways that require employees to seek positive answers rather than negative ones. For example, instead of trying to identify what went wrong on a project, ask employees what they did *well*. Focusing on negative answers keeps people mired in the unchangeable past, while emphasizing positive answers helps the organization move forward productively.

Lisa Anderson, a senior supply chain and operations executive and founder of LMA Consulting Group, Inc. says, “While the competition continues to struggle to survive through the recession, the successful companies will be preparing to leverage the opportunities of a recovery. There are three cornerstones to preparation success: create flexibility in the core business processes to be ready to ramp up quickly without incurring extra cost in the interim, ensure visibility throughout the supply chain, and focus attention on the most valuable asset, your people.”

From Roberta Matuson, President of Northampton, MA-based Human Resource Solutions ([www.yourhrexperth.com](http://www.yourhrexperth.com)). The firm helps organizations align their people assets with their business goals.

When the economy rebounds, businesses will be scrambling to refill many of the positions they have just eliminated. That is why *now* is the time to be thinking about how you will rebuild your workforce. By that I mean, how will you position your organization so that you attract top talent? What will you do to quickly assimilate all of these new employees into the organization to minimize downtime and maximize productivity? How will you retain these people, while you are experiencing growing pains? A solid talent management strategy, that is mapped out before you need it, is exactly what executives should be developing so they are well-positioned to exploit the economic recovery.

“One step a company can take now which yields bountiful benefits in an economic upturn is renegotiating contracts using an options approach,” suggests David A Fields, manager of Ascendant Consulting in Ridgefield, CT. Fields notes that “most contracts with vendors and with customers are straightforward tenders – a certain product or service at a certain time for a certain amount of money; however, in down times buyers and sellers are more amenable to cleverly constructed contracts which give them an immediate benefit in exchange for a potential benefit to you in the future.”

According to Fields, companies that pursue this approach often find the other side willing to give up dollars worth of value tomorrow for pennies of benefit today—a trade which proves highly lucrative when the market recovers.

Organizations can make good use of the current economic slowdown to prepare for the upcoming recovery, according to Linda Popky, president of strategic marketing consulting firm L2M Associates and a member of the Million Dollar Consulting ® Hall of Fame.

“Best of breed organizations are taking this time to review and reprioritize their marketing initiatives, strengthen relationships with existing customers, and evaluate new markets and alternative offerings.

“This is a great time to understand what’s on customers’ minds by engaging in voice of the customer activities such as focus groups or advisory boards. It’s also the right time to ensure that backend processes and systems, such as customer databases, distribution lists and campaign tracking tools, are up to date and ready for upcoming initiatives.

“Most important, in this environment, it’s important to err on the side of over-communicating. Customers and prospects need to feel comfortable and secure that you are there as their partner through this tough time and afterward,” she said.

Ross Mitchel, president of Implementations, Inc, an organizational development consulting firm in Austin, TX, offers:

“Many organizations assume that simply surviving the current economy will equate to post-recovery success, but the long-term impact on consumerism has yet to unfold. To take full advantage of the economic recovery, companies must be nimble and responsive to potentially new buying patterns and customer behaviors that will invariably occur.

“Although previous levels of activity will return to some companies, the most successful businesses will be the ones that embrace the changes inevitably brought about by the current economic upheaval.”

Dr. Karen Wilson-Starks, President and CEO of TRANSLEADERSHIP, INC. a Colorado based executive leadership development consulting company says that organizations need to focus on three major actions to take best advantage of the coming economic recovery:

1. **Embrace a positive mindset about the future-** Just because it’s dark outside tonight does not mean that the sun will not rise tomorrow. Companies need to expect and anticipate success just like we anticipate the dawning of a new day. Remember, we did recover from the Great Depression and from four bear markets since that time. It’s not a matter of “if” but rather “when” the recovery is coming so adopt a mindset that expects success.
2. **Jump into Spring Cleaning-** Now is the time to look at the business with a critical eye towards making improvements. Do you have the right product or service mix for what will be needed at the time of recovery? Are there new offerings to add or old ones to delete? Are you focused on the right target markets? Are your marketing messages still effective for those markets? Do your people have the necessary skills? What leadership development is necessary to bring them up to speed? Now is the time to go through the business with a fine-toothed comb to make sweeping improvements.
3. **Adopt a collaborative learning hat-** The steep learning curve for what needs to change is best scaled with multiple sources of insights and expertise. Get out of the executive suite and learn from employees at all levels, customers, consultants, and other businesses serving your target market. Also observe and learn from the competition. No one person alone knows how best to raft down the rest of the river in this time of turbulence.

“I’ve been working with clients throughout the downturn on developing and implementing strategies to leverage the situation to their advantage,” says Cory VanBuskirk, President of CVB Consulting Group. “If you aren’t focusing right now on two key areas, you’re going to find yourself out of the game once the recovery gains momentum.

“First and foremost, this climate is presenting incredible opportunities to displace weakened competitors and grow your share of business. You should be actively identifying situations where faltering competitors have

created concerns for your key customers. Then, you can aggressively step in, take over these pieces of business and alleviate customer concerns. As a result, you generate new business that was previously untouchable, and you secure commitments that are poised for explosive growth once the recovery shifts into high gear. Surprisingly, these opportunities are often there for the taking if you're smart enough to uncover them and assertive enough to ask. Alleviating the worries of your key customers makes you an indispensable asset and shifts the game in your favor.

VanBuskirk, who develops innovative growth and improvement strategies also says, "The second priority is to upgrade staff. With many businesses struggling and taking the narrow view of budget cutting as their only path to survival, the available talent pool is laden with top performers."

"Organizations gaining the greatest momentum through the economic recovery will clarify their direction, sharpen their systems and focus their people," says John Carroll, consultant and president of Unlimited Performance, Inc. in Mount Pleasant, SC. "The hallmark of those who get out onto the highway of restored commerce first and fastest will be a strong blend of flexibility and follow through. They'll move promptly with singleness of purpose in stopping go-nowhere operations and replace them with nimble, attractive new offerings that will intrigue their key markets.

"These organizations have maximized time during the downturn to strengthen key roles internally through development or reassignment or both," Carroll continues. "Mission-consistent systems and people will position them for the greatest advances in both retention of current customers and market share in existing and new markets."

"As you can see," concludes Weiss, "you can't capitalize very well if you act *after* the recovery is apparent. The time to act is now, because the recovery may be taking shape at any time, in fact, as you're reading this. Are you prepared"?

SAC is an international association of consulting professionals who subscribe to an industry code of ethics and have provided evidence of significant consulting results among their clients. For more information, please go to <http://www.consultingsociety.com>, write to [info@summitconsulting.com](mailto:info@summitconsulting.com), or call 800/825-6153 (401/886-4097).

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