

Strategies for Winning in a Downturn

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With all the indicators telling us we are in an economic downturn, we believe it is time to stop the debate and simply face the reality of it. Our challenge to clients is to see the economy for what it is and begin to take decisive action. Experience tells us that the worst thing you can do, as a business leader in today's economy, is nothing. Doing nothing will simply cause you to go down with the market and lose any initiative you may have had heading into the downturn. You need a strategy and then a plan!

So, what is your strategy and how are you going to plan for the next 6-18 months? Is it business as usual, hunker-down, trench warfare? Or is it, get off the couch, get moving, and take some ground? If it is the latter, we have some guidance from our work with clients. Our clients have demonstrated success by applying the following strategies;

1. **Get off the couch**: Start getting aggressive about competing versus worrying about what will happen. So long as everyone else is watching the oil prices, they will be preoccupied and may miss valuable opportunities.
2. **Add a new flavor**: Use your knowledge of customer needs to create a new formula for your products. Change the way customers decide by changing the choices you present to them. If you do not know your customers well enough, get closer to them quickly and figure them out.
3. **Shift your thinking**: For many parts of the economy, the forces that mold the business models are changing. That means you need to shift your thinking about your current business. Look across industries to see some new ways to view your own.
4. **Swim clear of the sharks**: Your best opportunities for survival will come as you leave shark infested waters. In a downturn all the competitors get hungry and feed on one another. When there is blood in the water it is hard to make any money. This is a great time to find some new waters to exploit.
5. **Invest in your base**: It will always be true that it costs less to keep your customers than it is to find new ones. Investing in your customers is always the right choice but it also does not mean throwing money at them. Find ways – other than price – to bring them additional value.
6. **Innovate**: Now is the time to get your team thinking about how to improve and innovate your products, services, and overall business. Challenge your teams to think differently by breaking the rules. This will not only lead to cost reductions, but also new ways to design and develop products and services.
7. **Resist conventional thinking**: If there was ever a time for executives to earn their keep it is now. The easy answer is to cut budgets and reduce headcount, but when you play the same game as everyone else, do not expect better results. This is a time to take some risks and reallocate some resources towards innovation and growth. Now, that will leave a legacy worth putting on your resume.

Remember, doing nothing simply causes you to go down with the market and lose any initiative you may have had prior to the downturn. Instead, take action! Superior results are possible, but not until we can embrace new ways of thinking about the businesses we are in.