

Preparing for the upturn

The body of evidence suggesting we are past the worst of the downturn is growing - so let's move past survival mode.

By Nic Paton



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However well informed all the pundits may appear to be, the bottom line is that forecasting the economy is never an exact science. No one really knows whether we're poised for a bounce, a slow recovery, a double dip recession or stagnation.

Nevertheless, there is a growing body of evidence to suggest we may at least now be past the

worst. To be slightly Churchillian about it, we may perhaps be at the end of the beginning. This means managers and business owners need to be starting to move beyond survival mode and thinking about life post-recession.

As business services consultancy Deloitte pointed out in June, it is the decisions managers and owners make now and over the next 24 months that are key, whichever way the economy actually goes. These decisions will govern not only how quickly and strongly businesses recover, but also how they perform over the next decade.

The key to preparing for the upturn, suggest business experts, is to step back and try to look at six core areas of your business with fresh eyes. These are: your business plan, your financial model, your markets, your staff, your processes and, ultimately, your place in the wider business world both now and in the future.

Taking the business plan then, first. It may have got you this far, but now is the time to go back and "stress-test" it for the business environment you think is coming, argues Darren Robson, executive coach at HR consultancy Penna. "It may not mean ripping it up and starting again, but you will probably need to adapt and remodel it," he says.

You should be looking at your costs and what can still be cut (even now), your client and customer relationships, which

sectors you are exposed to are returning most quickly, how the landscape has changed and what things clients are likely to be prioritising in the future.

Given that we may never return to the days of easy money (and probably should not want to), your future financial model will also probably be something you need to address, suggests John Biffen, a partner at accountancy firm Menzies.

In essence, the cash-focused, less indebted organisation you have been forced to create by the recession needs to become your financial template for the future. "As we emerge from the recession, it is important to maintain these good practices so that the business is in the best shape to take advantage of growth opportunities," he says.

When it comes to your future markets, diversification is the key word you need to be keeping in mind, argues Neela Bettridge, executive coach and co-founder of social responsibility consultancy, Article 13.

"You need to be auditing what you do, what you have been through and what you now are," she stresses. "How did we deal with the downturn and what have learnt as an organisation? How has our marketplace changed, where now are the gaps?"

This needs to include a thorough examination of your products and services. Do they, for example, match what you think you are going to need in the future, are there, again, gaps, are you going to be flexible enough to deal with how the world has changed?

"You need to look at what values you are projecting as an organisation, what your values are individually and as a team and whether there is a mismatch," Bettridge adds. An important element of this is to be looking at your people, the fourth key area to address as part of your planning for the upturn.

"It may be a case of needing to go back to basics. You should consider running sessions setting out what your new purpose

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or mission is and how the organisation is going to get better or do things differently," suggests Bettridge.

What you want to avoid at all costs is that you arrive at the upturn only to find all your valued people who have been keeping their heads down during the recession suddenly feel confident (as well as demotivated and demoralised) enough to head off into the sunset, agrees Dan Kaplan, partner at executive recruitment firm CTPartners.

"Managers should be using this time of change to map out the kind of talent they require going forward and to identify people within the organisation who they can develop to fill these roles," he recommends.

"Brave leaders realise they must empower these people. Let them know they have avoided redundancy because you believe in them and want them to develop with the business," he adds. Now is also a good time to be casting about to see if there is fresh talent out there that could be snapped up, advises Dinah Bennett, director of the Centre for Entrepreneurial Learning at Durham University.

"It is a good time to be attracting people because, with all the redundancies there have been, there are rich pickings out there. A lot of people who might not have thought about working in smaller businesses before may now well consider the idea," she says.

Within all this you should be re-evaluating your day-to-day business processes, recommends Professor Martin Binks, professor of entrepreneurial development and deputy director of Nottingham University Business School.

This might include deciding to hold more regular staff meetings to gather feedback and or discuss ideas, assessing your supply chain for weaknesses, looking at your credit control or simply re-examining how you manage people, make decisions and communicate.

"It is easy to drift into an upturn totally unprepared. If you are so focused on the ground you may miss opportunities," he says. Which brings us to the final issue of rethinking your place in the business world. Take the time to strip things back to the fundamentals and look at what it is you are doing, how you are doing it and what sort of business you want to be running in the future, recommends Binks.

"A recession, surprisingly, can be a great opportunity to think the unthinkable, to take all sorts of ideas and sort and sift through them," he suggests.

"If you keep your recession blinkers on you are never going to be able to see sideways. A problem, a need and an opportunity are all facets of the same thing," he adds.