

## **We suggest business owners consider the following in the current environment**

### **Think longer term toward recovery**

Like crises induced cycles previously, business conditions will eventually bounce back - be prepared for the uptick

### **Communicate, communicate, communicate**

Heightened, more frequent, transparent, reassuring, proactive

### **Plan, plan, plan**

For multiple scenarios, for game plans A, B, C and D – have multiple levers

### **Take lessons from this cycle**

Use them to strengthen your business and your people – great learning opportunity

### **Don't cut too deep**

Retain talent, invest in the right areas

### **Look for opportunities**

Involve all your people in creative, resourceful, problem solving innovations

### **Look for gaps and inefficiencies in your business**

Increase business maturity and “match fitness” for the next up cycle

### **Focus on cash and liquidity**

Turn inefficiencies into cash, consider all alternatives such as cheap bank debt, rough rule of thumb – cash reserves for 6-9 months of expense coverage

### **Take a fresh sheet of paper approach to how the business can pivot**

Think counter cyclical – invest when others divest

### **Ask for help if you haven't been through a down-turn before**

Don't be a hero!

### **Stay calm**



## Five common mistakes business owners can make in a downturn

### **#1: timing**

Don't implement behind the cycle, invest ahead of the curve. Look past the noise, lift your head

### **#2: risk profile**

Typically, owners reduce their risk profile during a downturn. What will a lower risk profile cost you in the upswing?

### **#3: wind / unwind**

Think riding a bicycle – if you slow momentum down (unwind) too much it takes longer to speed up (wind)

### **#4: macro / micro**

Pendulum approach – businesses can swing too far one way

### **#5: industry cycle**

Failure to watch the economic fundamentals and cycles within your industry



## Five opportunities for business owners in a downturn

### **#1: product innovation**

Including embracing new technology

### **#2: channels to market**

New product usually means new channels to market – meaning more diversification, increased product exposure etc.

### **#3: functional structures**

Make sure your structure is solid otherwise it will be hard (and costly) to innovate new products and channels to market

### **#4: capability**

To innovate new product and establish new channels the business may need new skillsets and experience

### **#5: closing gaps**

Use a gap analysis to find and close current gaps in your business, starting with the quick wins