

Working with Uncertainty

Certain action in uncertain times

Patrick Forsyth



PATRICK FORSYTH

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Working with Uncertainty: Certain action in uncertain times

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The banner features a large photograph of the De Vere Beaumont Estate, a grand white building with a central fountain in the foreground. Below this, a collage of four smaller images shows conference activities: a panel discussion on a stage, a woman speaking into a microphone, a large audience seated in a hall, and a man presenting at a screen.

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THE AUTHOR

Patrick Forsyth is a consultant, trainer and writer. He has worked with organisations large and small and in many different parts of the world. He is the author of many successful books on management, business and careers and prides himself on having a clear how-to style.

One reviewer (“Professional Marketing”) commented: *Patrick has a lucid and elegant style of writing which allows him to present information in a way that is organised, focused and easy to apply.*

In this series he is also the author of several titles including “Your boss: sorted!” and “How to get a pay rise”. His writing extends beyond business. He has had published humorous books (e.g. *Empty when half full*) and light-hearted travel writing: *First class at last!*, about a journey through South East Asia, and *Smile because it happened* about Thailand. His novel, *Long Overdue*, was published recently.

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1 INTRODUCTION: TIME TO KEEP YOUR NERVE

"Things are going to get a lot worse before they get worse".

– Lily Tomlin

If the above quotation is not to prove true, the firm response to any uncertain outlook – deteriorating economic conditions and falling markets, profits and spirits or whatever (and currently Brexit too for those in Europe) – should surely be to take stock. Then to take action.

The worst possible reaction is one of shell shock: wishing that conditions will change, that difficulties will go away and believing that there is nothing to do but wait. Most often “waiting for things to get back to normal” is simply not an option. Things change; and they can change in a way that sometimes occurs radically and quickly.

Economic and market conditions are said sometimes to go in cycles; but they are ever volatile – what matters is that whenever adverse circumstances affect an organisation that those working in it respond. This may be in a contained area, as when difficult times hit one particular industry or sector, perhaps in one geographic area. Or it may be more widespread, as now, when a whole economy seems to wobble.

For instance, in marketing, the overall process that brings in the business, a continuing focus on, and commitment to, marketing action is necessary at a time when the gut reaction (in this and many other fields) is to cut indiscriminately at the first sign of trouble. Sales down? Cut advertising and promotion, cut the staff and the training budget and then what...hope that the business will continue unaffected?

A number of factors seem to me to be fundamental: action and attitudes designed to make it more likely that existing customers will be held, new ones still won, the organisation kept on track and profitability protected and ideally maintained. Certainly uncertainty can affect everyone. Customer attitudes change, their loyalty (even those at a high level at the time) declines, promotional and sales activity thus need to be organised to bridge that gap and to continue to maximise its effectiveness. In part such thing should be seen not as emergency action, rather as routine, everyday approaches.

What to do and how to do it

Marketing is only one area and there are ideas here in organisation, human resources, finance and linked to personal productivity. Let's stick with marketing for the moment. In competitive times a number of things are needed, for example:

- *A systematic approach to marketing:* increasing complexity makes this even more essential, only a well planned mix is likely to do the right job.
- *Spending enough time:* the time marketing takes, certainly to undertake it well, is often seriously underestimated, especially in the small business. Just putting in the time remains the first step to making the activity work.
- *A customer focus:* this is an ongoing necessity and customers are even more demanding now than last time similar sorts of economic difficulty threatened; everything needs to be done with an eye on the ways customers want it or find it acceptable.
- *Continuity of action:* marketing was, and remains, an ongoing process needing regular attention; making it fit with the possible feast and famine of a volatile business is one of the challenges.
- *Clear account responsibility:* a dedicated someone definitively in charge of every major customer: in difficult times this becomes even more important.
- *Bullish pricing:* in a recession even a hint from a customer that prices are too high has often tended to lead to instant, and ill considered, discounting. Price is now better understood in its role as part of the marketing mix, not least it is used as a sign of quality and organisations are now more likely to set profitable prices with confidence, justifying them rather than trembling if they are challenged.
- *Professional selling:* selling is a final link with customers, it can be taken for granted in buoyant times and must be deployed in the best possible way in any other.

Similarly promotional activity must create real interest, enquiry handling must confirm efficiency and sales meetings, written proposals and presentations – whatever is necessary in particular businesses – must build interest into confirmation of orders. Furthermore as an old manager of mine wisely said long ago, *Remember that it's not an order until the money is in the bank*. Other prudent action will reduce costs, affect staff and operational procedures; indeed every aspect of an organisation's operation may need some attention and this applies to organisations of every size.

So what do you do and how can this book help?

Let's be honest, it does not provide a magic formula; you cannot hope to wave it at the approaching thunder clouds and see them evaporate before your eyes. But, whatever responsibility you have – for a whole organisation or a part of it – it can help. Everything mentioned here is a tried and tested idea that can contribute something to you and your

business surviving – and perhaps thriving – despite the difficulties. The combined effect of numbers of initiatives can be substantial; for some action – the right action – can make the difference between survival and collapse. So, if there is no magic formula, and there isn't, then progress becomes a question of leaving no stone unturned; anything and everything that might help to some degree must be utilised to catch its positive effect.

Ideas and action

There are ideas here to:

- Save money.
- Keep orders coming in.
- Enable necessary action to be taken promptly and certainly.
- Maintain personal productivity and a focus on important issues and reduce stress.

Amongst the many ideas reviewed here are ideas that should work for anyone, others that will suit some and still more that may need some adaptation in order to work for you. Many describe areas where, faced with difficulty, a typical action is to do nothing, at least for a while, by which time the action necessary may be different, more difficult, or more expensive or time consuming to take – all at a time when you want to have time to focus on the priorities.

Space dictates that the ideas here are dealt with in various lengths. They are presented in random order and relate to a variety of different aspects of a business. This is so that you can dip in and out, skip anything that is (really) not right for you and use this process as part of the taking stock that will lead you to action and changes, changes which may make your survival in reasonable shape possible, indeed likely. It is intended also that this review will act as a catalyst, leading directly to discussions and review meetings in the organisations of those who read the book, and that those in turn will take you forward. Most ideas are not solely relevant to commercial organisations, but will make sense for any organisation which finds itself with its back to the wall in some way and wondering what the future holds.

Remember that waiting, however hopefully, does not really qualify as considered action and also that while good luck may explain the success of your competitors, it is not to be relied on as a tangible tactic. Tough measures may well be necessary and the sooner you start on them the better.

A useful watchword:

In Chinese writing the word “Crisis” is expressed in the form, not of one, but of two Chinese characters.

The first represents the word for “Chaos”. The second signifies the word “Opportunity”.

Interesting: especially considering the age of the Chinese language – and not a bad way to think about, and perhaps respond to, a crisis!

That said, let us make clear that the overall tone here is not doom and gloom. You should take the view that you can make a difference. Some of the ideas here have negative connotations and need a certain amount of decisiveness to enact, perhaps even ruthlessness, but the overall outcome that everything aims for is positive. How do you approach all this?

Your attitude throughout the piece

Let’s start with a short comment about how you should approach the kind of change and action involved here in response to any kind of difficulty. Let’s start by referring to fiction. The late Douglas Adams made a simple phrase all his own. On *The Hitchhiker’s Guide to the Galaxy*, in large, friendly letters on the cover was the message: *Don’t panic*.

It is good advice. Action taken in a panic – a well known phrase makes the point: a blind panic – is rarely going to give something your best shot.

The only specific action here is an internal, introspective one. Take a deep breath (a metaphorical one if you like), pause and *think*. What you are seeking, and what this book aims to help you find, are *considered responses*; balanced ones too, you do not want to throw the baby out with the bath water or find some short term “remedy” for something that makes more, perhaps worse, problems in the long term.

There may well be a degree of urgency about taking action, but that does not make it sensible to ditch thought and charge at things full tilt.

Given that difficult conditions can sometimes last a while, this may most likely be a danger in the early stages, but it may prove useful to continue to say, “Don’t panic” to yourself on a regular basis.

You may want to define the word “think” as it is used above. You may well need to research, consult, debate, brainstorm and more to produce the considered ideas necessary and ensure their implementation. If doing this involves more than just yourself to make it happen: so be it. Having thought, you need to make some decisions.

Ready, aim...fire

Making decisions can be difficult. Not making them or making the wrong one can be disastrous. And making the wrong ones in difficult times can lead from bad to worse.

The assistant looks at the customer, decides they warrant no special attention, and effectively bundles them out of the shop. Later they arrive back, laden with expensive purchases, and show just how wrong the decision was. *Big mistake*. Remember this scene in the movie *Pretty Woman*? The principle applies to us all. We want to make good decisions and, if we do not, the results may return to haunt us.

It is not easy. Time pressure and lack of information can lead to rushed or ad hoc decisions that cause real problems. For example, in one company someone decided to replace the ageing fleet of delivery vans. Fine, but many customers ordered by the van-full, so similar sized orders no longer exactly fitted in the new vans. Deliveries appeared short and complaints followed. Sales, dispatch, customer service, accounts – all were left with problems because one, seemingly sensible, decision was not made with an eye on all the implications.

Knowing it is not easy can make things worse. In uncertain times fire-fighting can predominate and decisions may well be delayed, perhaps because of fear of the consequences of making the wrong one, and lack of any action itself may then cause worse problems. Yet it is a truism that a delayed decision never gets easier to make as time goes by; rather the reverse. Hiring and firing are good examples. Wait, indecisively, and a good candidate takes another offer and is no longer available. Delay getting rid of someone because of the emotional difficulty and it gets ever harder to bite the bullet.

In uncertain times you must resolve to make decisions promptly, but do so using a systematic approach: a thorough way of thinking things through, likely to ensure sensible action results. Simple decisions may short-circuit this; but that must be a carefully selected option. The following ten stages will ensure nothing is overlooked.

Ten stage decision making:

1. **Set objectives:** how are you ever going to make a good decision if you are not clear, really clear, what you are aiming at? Objectives should be specific, measurable, achievable, realistic and timed. It is wholly different to decide something because it will “reduce costs” rather than because it will “reduce admin costs by 10% during the next three months”.
2. **Evaluate objectives:** it is important to check broadly – do objectives conflict in any way with what may be the many and disparate goals of the business? For example, moving slowly on something might save money, but make worse problems.
3. **Collect information:** ask what information is necessary before a decision can sensibly be taken. For example, deciding on tactical promotional activity may need accurate, up to date sales figures as one of its basis.
4. **Analyse the information:** think it through, do not take it at face value. Sales figures may be down, but why? One large order lost, regular customers varying their timing (so less next month) or whatever. Investigation should lead.
5. **Develop alternatives:** of all the stages this is the most often overlooked. Many decisions are really “more of the same or not”, when what is required, especially in difficult time, is some creative thought and some new ideas to consider.
6. **Select the “best” alternative:** if you evaluate all the alternatives now on the table (for example, looking at cost, timing, risk, resources and so on), then one must be the “best” option – even if it is something of a compromise, or a finely balanced choice.
7. **Communicate the decision:** tell everyone affected, and tell them in an appropriate manner – a brief e-mail or a meeting to discuss matters? If a decision prompts change, then people involved in implementation must know what is going on, and often must understand and support the change if implementation is to work.
8. **Set up any necessary controls:** consider and put in place anything that must be checked or measured as action proceeds. So, a decision to change complaint-handling procedures may need to include measurement of what then happens to customer satisfaction levels.
9. **Implement the action:** whatever the decision prompts in terms of action must now be carried out, and this means *who* will do *what*, *when* must be clear.
10. **Evaluate the decision:** learning from experience is important. If something goes well, you can apply more of the same, if not you can actively avoid repeating anything that caused problems in the future.

Good decisions follow sound thinking. Gut-feeling should not be excluded entirely (it often reflects real experience), and should be weighed in the balance. A systematic approach may not guarantee success – but it *will* make its likelihood greater.

If you are not certain what to do about something do not just flip a coin, consult. Ask your boss, a colleague or a member of your team what they think – there is no monopoly on good ideas and they might just provide an insight that helps you move on promptly. Even the one man business can do this through networking.

Taking time can be the quickest and surest way

A participant came forward after a seminar posing a question. How could something be changed? The details don't matter, but what happened illustrated something important. As course tutor I thought about it, it seemed to me that there was no instant solution. A campaign of a series of actions however seemed likely to make a difference. As this began to be described the questioner looked puzzled. As the conversation progressed it became clear that in thinking about the problem there being one instant solution had been taken as a given. The questioner had clearly not thought about the matter in any other way and, told that more was necessary, their first reaction was puzzlement.

This is a symptom of today's "sound-bite world" perhaps; everything needs to be instant. Sadly life is not like that; many things need to be worked through, and often only a number of different influences can create the required change. Furthermore there is a distinct tendency in difficult times for people to seek instant solutions: take some action – sort out one problem – move on to the next matter.

The best action starts with a simple resolution. Tough times bring problems. Realistically some of them will not be solved at a stroke, they need thinking through and they need numbers of things to be done to create whatever outcome is wanted.

You may need to resist the temptation to rush at things; indeed there is a possibility of this leading to a worse situation. It is better to take a month, or more, to sort something and get it right than to aim to fix it in a moment and find the problem simply returns and worsens.

If time is needed to effect change do make a careful note and monitor the process. For instance, you may want to check progress after a month has passed and feel something should have reached a certain stage in that time. If progress does not go as expected or planned some fine-tuning may be necessary; fine-tuning that could see the end result emerge sooner or prevent an over run getting out of hand. The more you have to do and the greater the difficulty, the greater the benefit of remaining organised and keeping on top of things.

With all that said about the best approach to take we move to some specific areas of review and action.

2 IDENTIFYING AREAS FOR REVIEW

In any time of uncertainty or difficulty there are a wide range of areas that could cause problems and which may benefit from attention. These range from reduced cash flow and the greater impact of late payments to performance being reduced by low morale because managers (think they) are too busy to spend time on motivation. There can be areas prompted by personal considerations as well as corporate ones too, for example at worst maybe you should check your employment contract and think about an escape plan. However let's be more optimistic, the premise here is that you *can* take action that *will* mitigate the adverse effects of uncertainty, at least to some extent.

Two stage are evidenced here:

1. Identifying what areas need review (and sensibly putting such a list in some sort of order of priority).
2. Deciding what action can usefully be taken.

Then, of course, steps need to be taken to make sure that action will happen, so a link is necessary to who will do what and when.

Especially in a short text such as this format dictates I make no claim of comprehensiveness. The list that follows (to which one could add the attitudinal approaches mentioned in the introduction) is designed to show the range of areas to which these principles can be applied. You may well find some here that are irrelevant to you and certainly may be able to add others.

The list that follows is in no particular order and simply highlights areas likely worthy of attention; the next chapter sets out a systematic way of approaching such topics.

Likely areas worth attention

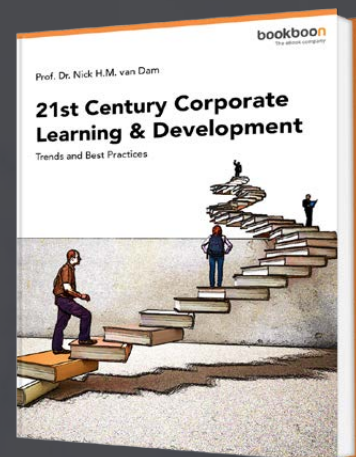
1. **Prompting payment:** payments typically take longer to be made in difficult times and action, from reviewing terms and conditions to action to chase overdue accounts, may be necessary.
2. **Employ guerrilla tactics:** intensify the monitoring of competition and respond fast to action they may take.
3. **Think creatively:** time for creative thinking can easily be squeezed out in times that demand some fire-fighting, so make sure you don't let anyone involved let this happen.

4. **Keep doing the maths:** base action on sound figures; it is for instance easy to launch into discounting without calculating just what that will do to margins and profit.
5. **Motivate your people:** it takes time, but keep doing it – ultimately it is your people who will combat uncertainties, make sure they are fit to do so.
6. **Face difficulties:** some tasks tend to be put off because they are unfamiliar, awkward or difficult. Problems get worse if left – grasp the nettle, however uncomfortable.
7. **Manage your time effectively:** never is it more important to be clear about and concentrate on priorities.
8. **Check employment status:** if people have to be made redundant, or indeed if you need to recruit different, specialist, people, all such actions must be taken as smoothly as possible.
9. **Travel less:** some travel may be necessary of course, but it's time consuming and other methods (from conference calls on) may save you time you need for other things.
10. **Get costs down:** this may mean flexing your negotiation skills, revisiting existing supplier arrangements and giving particular attention to new ones.
11. **Delegate:** most managers do not delegate sufficiently (seeing it as a risk or – perhaps – just wanting to do everything themselves). Now is the time to free up time and let your people contribute more. They may surprise you.

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12. **Keep up appearances:** image and presentation count and people make quick judgement, so don't let time pressure allow this to be neglected (e.g. a poorly prepared and delivered presentation is likely to prove a false economy).
13. **Check channels:** be sure you are relating to the market in the best possible way, for example check you are using online channels in the best way.
14. **No automatic pilot:** in some areas ongoing activity becomes ill-considered, for example continuing certain marketing activity for no better reason than it is now easy when a more innovative approach might be better.
15. **Encourage customer loyalty:** always a good route, all the ways this is encouraged may need special attention in uncertain times.
16. **Maximise business generating skills:** examine your rate of strike, and see if it could be better. Are the team's sales, presentational and closing skills all as good as they could be? Training is often axed in difficult times; some may be usefully increased.
17. **Look further afield:** if uncertain times are affecting local markets, you may usefully look further afield, especially to accelerate plans for markets already to some extent investigated.
18. **Check computer security:** when you already have difficulties there is no worse time for your computer to go down. So action here – from simply backing up individual computers to taking action to avoid hacking – must not be neglected.
19. **Listen to your customers:** if business declines be sure you know why. It is easy to lay blame at big areas: “the economy”. But there may be other reasons and some of these may be easy to overcome.
20. **Cultivate alliances:** other people may be able to help and this may be simply useful networking and brain-picking or strategic alliances with other organisation where cooperation can strengthen both.
21. **Detox costs:** check that money is not being spent unnecessarily, even individually small things can mount up and many arrangement roll on unchecked.
22. **Avoid unnecessary secrecy:** in difficult times there may be matters that need to be kept secret (at least for a while), but some secrets cause problems and clarity can be a better route; even honest information about pending redundancies may be time and money saving in the long run.
23. **Ensure a strong sales case:** you may know your products (or services), but you must be sure that everything the organisation and its people describe make a sufficiently strong case; sometimes minor change can increase sales.
24. **Less is more:** many activities, and product lines, have a “tail”. It may be time to ditch activities or products that take up time, yet contribute little.
25. **Best promotional mix:** not everything that could be done promotionally is ever being done (not least on cost grounds); but the mix chosen is important and it may be time for a review.

26. **Be bold:** difficult times can prompt an automatic safe approach and people tend to become risk adverse. With care and consideration, of course, but some action at such times may best be bold.
27. **Price review:** in tough times a first instinct is to cut prices. But pricing is a complex area and it may be that reviewing the totality of how you have things organised will identify opportunities (maybe some items included need to be extras to improve profitability).
28. **Outsourcing:** asking what currently done internally could be done elsewhere may be a useful review, one that finds areas that saves money or frees up time.
29. **Quick change to boost promotion:** some things may simply benefit from being done or changed quicker (e.g. a retailer might change their window display more often).
30. **Do something new:** possible new methods tend to be put on hold in difficult times. Before you do that be sure that something new is not the very thing you need (even with some testing first).
31. **Find new customers:** for sales people it is always easier to sell to people you know rather than to new prospects, indeed prospecting can get neglected in difficult times, a balance is what is called for at such times.
32. **Create service excellence:** given a good product/service nothing acts to bring customers back more certainly than excellent, maybe exceptional, service. A review and improvement here can pay dividends.

Preparing a list such as that just set out is the first step. However, it needs to be more than just a list of headings. As I have done here it needs to set out something of the possibilities in terms of potential improvement, then as has been said, you need to consider priorities; realistically not everything can be done at once.

But there is more to do. The next step is to consider each area identified and move towards an action plan. It is to this we turn next.

3 TOWARDS AN ACTION PLAN

As was said at the start, space prohibits a comprehensive review of every possible action that might help in uncertain times, however a number of the headings used in the last chapter are now explored in more detail and in varying ways to enhance the way they illustrate the general approach. Each is set out broadly in the same format: a longer explanation and comment on the topic followed by some action implications (and again the sequence should not be read as prioritising). This may well be a useful format for readers to build on, allowing you to then add more personal approaches and details.

1. Employ guerrilla tactics

As a general rule, keeping an eye on the opposition is a good way to make sure your organisation stays ahead of the game. In tough times, it is *essential* to spend time studying your competitors. Why? Because, at the very least, it's an information gathering process about the current state of the market. At best, it is a means of developing a niche area or minimizing the risks that can affect your own organisation. Some people argue that it is better to be "first" than "best".

The well-known scenario about the tiger hunters in the jungle puts this important issue in context. There were two hunters in Africa, as they were emerging from the trees suddenly coming towards them they spotted a tiger. One of the hunters immediately bent down and started to put on his trainers. "What on earth are you doing?" asked his companion. "You'll never out-run that tiger." "I don't need to run faster than the tiger," the first hunter replied. "All I have to do is to run faster than you."

It makes sense, doesn't it? In uncertain times there's no need to put the competition out of business. Just having an edge over one or two will be enough to enable you to survive. But first of all you need to know who these people are.

Competitors are companies offering similar products or services to you; or companies offering the same products or services. They could be businesses who might offer the same or similar products or services in the future. Alternatively they could be organisations who will remove the need for such products or services as your organisation provides. Whoever they are, their objectives are the same as yours – *to grow, make money and succeed*.

"Never underestimate the enemy." Wise words, but often ignored. To gain advantage over the competition means knowing how they think, how they might act, what their strengths

are, where their weaknesses lie. It also means knowing when and how they are vulnerable, where they can be attacked and knowing when the risk of attack is too great.

Action

i) Work out:

Why do you need this information? What do you want to find out? How are you going to do it? Who will analyse the data? How will you use the information once you've collected it? What results do you want to achieve having got it?

ii) Find out:

Who are your nearest three direct competitors? Who would you regard as indirect competitors? Which of these organisations is growing, static or declining? What can you learn from their operation and advertising? How would you describe their strengths and weaknesses?

What differentiates your business (products or services) from theirs?

Note: Don't forget that in normal economic times markets are constantly changing – legally i.e. regulations and statutes, politically and in terms of technology. In order to survive in tough times, a business owner or operator needs to be able to adapt quickly to suit current trends and reap any possible benefits.

iii) Gather information:

Carry out your research – look, listen and learn. Visit your competitors' locations, to observe how they do business, set out their products, and offer their services. How do their staff treat customers?

One way of doing this is called “mystery shopping” – market research companies use this method to measure quality of service or gather specific information about products and services. But there's absolutely no reason why you can't do this yourself (unless of course your face is well known to the opposition). If you delegate the job to a third party, this person must pose as a normal customer purchasing a product, asking questions, registering a complaint or behaving in whatever way you direct. They then report back to you with detailed feedback on what transpired.

You could ask your own customers their opinion about such organisations. Keep an eye on competitors' marketing and advertising. Who are their target audience and what percentage of market share do they hold? Visit trade shows and exhibitions attended by

them. If possible, go along to presentations or speeches given by members of their staff. Observe what appears in print about them – in professional journals, the business press, local newspapers and trade association publications.

iv) Process the data:

Study and analyse the findings. Likely you will spot trends and patterns. These should be related to your organisation's development, profitability and market positioning.

v) Report findings:

Set up a system for evaluating the results. Feedback is essential for everyone involved. This means the information gatherers, the processors and the decision makers. Ask the questions: Was the information useful? Was it understood? How was it interpreted? What was the result of its use? Was it worth it?

And another idea...

Remember, the value of knowledge is difficult to calculate. You can't be sure how or when you are going to use it. But in tough times, you can be sure that ignorance is far more costly. It can result in missed opportunities, or loss of customers. At the greatest extreme – the business itself could fail as a result of inactivity in certain crucial areas.

Don't lose out, keep your antennae tuned. Competitive intelligence could be your secret weapon.

2. Think creatively

You don't have to be an economist to anticipate when your business is likely to hit a rough patch. When times are difficult, you need to implement smart ideas that will ensure you have a prosperous future. Thinking ahead for the short term makes sense in the current climate because it gives you (and the business) the chance of a less bumpy ride. This means that you need to harness the ability to make the right decisions. And what are they? Ones that will add impetus to your business – quickly and effectively.

If you're not familiar with the process called the 'balanced business scorecard', this is so named because it works on the premise that business strategy and financial considerations should be looked at equally. In tough times this is essential for two reasons. Figures are what measure the temperature of the business. Doing the right things is more important than doing things right. If you give equal consideration to financial projections and strategic thinking, it ensures decisions taken now will encourage further growth and smooth the path immediately ahead.

Take, for example, the fact that most business leaders know where they want to be in 3–5 years, possibly 10 years, time. Applying similar principles, if you want to work out where you'll be in one year's time, you must make the right decisions now in order to get there. Without your future goals being clearly defined, you cannot safeguard the future. You can play around with financial figures, projections, and flow charts as much as you like. You can adapt and change as often as you wish, but this won't work. Numbers alone cannot fully represent strategy. Actions, however well-intentioned won't help on their own.

When the economic climate is uncertainty no business can afford to spend precious time fire-fighting. Instead you should be generating sound ideas. The good news is that the 'balanced business scorecard' process, as defined below, is simple to put into organisation.

Action

Regard the process like a cascade – asking the following questions, first:

Vision	What do you want the organisation to be like next year? What is working well at the moment and can be developed?
Mission	What should employee numbers, turnover, profit, size of key customers, market positioning be by then?
Strategy	Decide what positioning and competitive strategies are needed to get there – as of now
Objectives	What – specifically – needs to be done / changed / reformed?

Business Plan, Metrics, Action Plan, Dates

What will the goals, actions, milestones and measures be?

Secondly, work out the answers to the following –

- What are the measures you have to achieve?
- What, in specific terms, must you do to achieve them?
- How will you set yourself apart from competitors in winning business?
- What resources will you need to do this, who will you target and what skills and standards will you need to apply to get there?
- What will the organisation be like if you achieve all this?

These questions must be answered fully, with realistic, achievable targets taking into account the current economic climate. Work on the actual situation, no 'what ifs'.

In order to facilitate this process, if you're a business owner or organisation director, you must involve your senior management team, who should work with you on the following options. These include

- decision making criteria
- priorities to formulate the business strategy, based on the organisation's:
 - key strengths
 - robust logic
 - shared beliefs.

And another idea...

The beauty of the 'balanced business scorecard' is that it can be used immediately to take effective action which gives quick results. It can be based on a choice of methods. Whatever suits your business model best will be the most effective. This could be via one to one meetings; a research programme; off-site consultancy; facilitated group sessions – or a suitable combination of any of these.

The 'balanced business scorecard' process *really* works. It provides a common sense route to accelerated business development in difficult times.

3. Do the math

It is easy to deceive yourself by making assumptions rather than calculations. Couple this with the tendency to immediately offer discounts when faced with tough times and you have a recipe for disaster.

Consider some simple figures: you sell something for £100 and, with costs of £50, you are marking up by 100% and making 50% profit. Say you feel you must offer a discount. You want to make it significant to customers and yet preserve your profitability as much as possible, so you discount by 10%. Thus your selling price is £90 and with costs still £50 you make £40 profit.

Now do one more calculation. What percentage of your profit has gone? £10 of your original £50 profit has gone – that's 20%. This ratio gets even scarier when larger discounts are given.

That is not to say price reductions cannot be a part of your tough action; they may have to be. But...

Action

Always make such decisions after making careful calculations. Small discounts – 10%, 12%, 15% may seem to do no great damage but sales increase must be achieved and often the amount of extra business needed just to retain the same overall profit is significant. Take care.

And another idea...

A number of accountants have calculation devices on their websites that will make this sort of calculation as you input a few key figures. Ask yours, look around or just put “margin calculation” in Google.

4. Boost performance – motivate your people

Most managers would concede that motivation matters. Yet it takes thought and time and every good intention evaporates like the morning mist when “more pressing” matters interpose. Yet motivation – maximising staff performance to ensure the achievement of planned results – is surely just as important in difficult times as in good. Indeed, there is a case for saying that it is more necessary, surely it is easier to perform when all is going well?

All managers are ultimately judged on their results. However many people you manage, you are dependent on the contribution of your team. And the quality of their contribution is dependent on their motivation. People perform better when their motivation is high. Furthermore the difference between adequate and excellent performance spurred on by motivation can be considerable – and is just what you need in tough times.

Like most managers, you are doubtless busy. The greatest difficulty about motivation is perhaps simply the perceived difficulty of fitting it in. Yet the rewards make the time it takes well worthwhile. It really does result in people achieving more so, especially at times when performance matters most, the time needs to continue to be put in to make sure people remain motivated. Similarly, the problems that a de-motivated team has on their manager's time are all too obvious and again this is the last thing you want at a difficult time.

Successful managers are good at motivation in good times and in bad.

Action

What is most important then? Without meaning to negate other factors, ten keys to successfully adopting a motivational management style may be summarised as follows:

1. Always think about the people aspects of everything.
2. Keep a list of possible motivational actions, large and small, in mind.
3. Monitor the “motivational temperature” regularly.
4. See the process as continuous and cumulative.
5. Ring the changes in terms of method to maintain interest.
6. Do not be censorious about what motivates others, either positively or negatively.
7. Beware of panaceas and easy options.
8. Make sufficient time for it.
9. Evaluate what works best within your team.
10. Remember that, in part at least, there should be a “fun” aspect to work (and that it is your job to make sure this is so); maintaining this is especially important in difficult times. No one wants doom and gloom to pervade their whole working life.

Make motivation a habit, and make it effective, and you may be surprised by the results. The motivation for you to motivate others is in those results. Four things perhaps encapsulate what works best.

Motivational action must be:

- *Well judged* – the right action, at the right time, carried out in an appropriate way.
- *Creative* – finding new and different things to do as well as utilising tried and tested methods.
- *Balanced* – using a mixture of method well matched to the individuals involved.
- *Continuous* – motivation must be an inherent, ongoing part of management, not a “when there is time” thing.

Having everyone performing well is always a sensible goal; in uncertain times it is a necessity and anything else is letting trouble in by default.

And another idea...

Finally, remember that the little things are as important as the large. Incentive payments may be powerful motivators (and, of course, incur no payment until the results are achieved), but so is saying “Well done!” Have you used those words sufficiently often lately, and can you afford to neglect them when the situation makes doing so more difficult?

5. Tackling difficult issues – get uncomfortable

Some things cause difficulty at any time. In uncertain times they must be addressed. Let's be honest. However effective we may be, there are for most of us some tasks where our approach falters, where we are apt to procrastinate. Where does this happen most often? On examination that is easy to say: certainly one example is when something is not just difficult, but when it is a particular kind of difficult – when it is actually *uncomfortable*. This may be conscious: for example, there may be things about your computer skills that mean action is delayed – *knowing* that your skills are not all they should be and being conscious that it is easy to get into deep trouble. Everyone probably has things that prompt such thoughts, and so delay action.

Alternatively, there are things where avoidance is a more subtle process, where we try to rationalise and do not actually accept that our procrastination is significant; sometimes refusing to see the reality at all. As a result things are left unaddressed and performance can deteriorate directly as a result. And all because of some half buried and perhaps repressed feeling that taking action will be an uncomfortable experience. Consider an example.



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The poor performer

Imagine: one of your staff is performing under par. This might be anything from not hitting sales targets to poor attendance; the details are unimportant. One thing is clear – it demands action and the rewards that follow are obvious. Dealing with it might produce more sales or higher productivity, say, depending on the precise details. Yet...with such things there can seem to be many reasons for delay. We think (or rather hope) that it will get better. We wait for other things: the end of the month (bringing further figures or evidence) or a forthcoming appraisal (which we know means we cannot put it off later than that). More than anything we blame other things. We are busy, we have greater priorities, or, even less convincingly, we are sorting other problems – fire fighting.

The truth is we do not *want* to deal with it. We may be unsure how to do so, and that can be awkward. More likely we do know what to do, but know it will be awkward or embarrassing to do so. Addressing it will take us into the *discomfort zone*, and we would rather distance ourselves, busying ourselves elsewhere (with something we designate “more important”) and remaining safely outside the zone of personal difficulty.

The facts of the matter are usually clear. It is not rocket science and we can usually deal with it if we address it. A poor performer is a good example. It is important. Yet it is not complicated; essentially only three options are possible, you can:

- Put up with the poor performance, and allow it to continue (which is surely something no one would defend or recommend).
- Address the problem determined to cure it, persuading or motivating someone to perform better; or training or developing the person to do whatever it is better if poor performance is due to a lack of some skill or competence.
- Conclude, perhaps after option two has failed, that they will never get better and fire them (or otherwise move them to other areas of responsibility).

Both options two and three may be awkward. It is embarrassing to have to tell someone their performance is unacceptable, and most of us would find firing someone worse. So, action is delayed.

Action

Get real. The situation here needs to be addressed head on. Such a situation is not a failing of logic, not a deficit of information or understanding, or anything else that mistakenly leads

us away from the sensible and necessary course – *it is a personal decision: we put avoiding personal discomfort above sorting the problem and, very likely, delay makes the problem worse.*

Before you say – *But I never make that kind of decision* – consider further. If this thinking is partly subconscious, then that is likely so because we push it into the back of our mind, refusing to really analyse what is occurring, or simply allowing other activity to create a blinding smokescreen. Now let us think more constructively. Which elements of your work are likely to run foul of this kind of avoidance technique? Dealing with poor performance has already been cited as an example. Others include:

- *Raising a difficult issue at a meeting* (it gets put off rather than risking controversy or argument).
- *Cold calling* (many of us should do more, but it is not our favourite thing).
- *Networking* (sounds good: we all hope to meet people at that conference we attend, then come out with one business card because *we are not quite sure how to approach people*).
- *Chasing debtors* (we hate it, avoid it or do it half heartedly and so cash flow suffers; yet we all recognise that it is not an order until the money is in the bank).
- *Follow up* (when the customer has said – *I'll think about it* – how many times do we make one perfunctory phone call to be told they are *in a meeting*, then leave it so long that the moment passes because we are not quite sure what to say next time).

Such things are, to an extent, routine. Others may be more personal, linking to a particular skill or activity. For instance:

- Avoiding presentations, even when they offer promotional opportunity, because: *It's not really my thing.*
- Avoiding sitting on a committee where you might make valuable contacts because meetings are in the evening and: *It's not fair on the family.*

You may well be able to extend the list in both categories (be honest, as was said at the beginning).

An active search for opportunity

So, what do we conclude from this? There is a significant opportunity here. You need to resolve to *actively seek out uncomfortable situations*. You need to see the discomfort zone as an attractive place to go. Somewhere where you can achieve action and influence results, and often do so quickly and easily. After all, probably most people can identify with this

feeling: you take some long overdue action, find – however momentarily distasteful it may be doing it – that it changes things for the better and end up saying – *I just wish I had done that sooner*.

If you find yourself putting things off in future try a moment's analysis and you may find that action more likely follows. Take a systematic approach:

- Spot the areas needing action that you are in danger of failing to address.
- Ask yourself why you are turning away from something and check specifically that it is not simply to avoid personal discomfort.
- Check that action is possible: do you know what to do? Do you have the skills to do it?
- Fill any information or skills gap, taking time so to do if necessary (this is usually time well spent, for example fire someone without checking out the employment legislation situation and you may make a small hole very deep).
- Programme action into your list of “things to do” giving matters their true priority and having worked out what you have to gain (after all you deserve some motivation if you are going to choose to be uncomfortable).
- Take the action and take note: if it solves the problem, generates the opportunity – whatever – learn from it for next time.

And another idea...

Make this approach a habit. Make *entering the discomfort zone* a catchphrase. This approach is the antidote to things going by default. It needs some resolve, but here is truly a technique which, overriding an undesirable element of human nature, provides a quick, simple, sure way to increase your effectiveness.

6. Get costs down

Let us be clear. Negotiation and persuasion are different things. They are certainly interrelated: successful persuasion gains agreement to action (to buy perhaps), negotiation is concerned with identifying, arranging and agreeing the terms and conditions that accompany agreement. Agreement must logically come first. People do not waste time negotiating something in which they have no interest.

So, if negotiation is about the terms and conditions on which a deal is struck, then two applications make it a prime technique to deploy in difficult economic times:

- First to ensure you get the best deal from your suppliers, something that impacts directly on costs.
- Secondly, to secure good deals with customers, especially major customers who can be very demanding in the terms they specify.

For instance, if a retail customer demands delivery to ten regional centres instead of one, special packing and throws in a request for promotional assistance, then it is going to cost. Unchallenged such things may reduce margins damagingly.

Action

Negotiation is a complex process. The complexity comes from the need to orchestrate a many-faceted process rather than because of any element being individually intellectually taxing. But you need to be quick on your feet to keep all the necessary balls in the air, and always see the broad picture while concentrating on individual details.

To take action and gain from negotiation you must understand how it works.

Negotiation must not become an argument (or, an impasse usually results). But it is adversarial. Both parties want the best deal possible. Yet compromise is essential: stick out for the perfect deal and the other party may walk away. Give way too easily and you will regret what is then agreed. What is sought is the so called *win-win* outcome, where both parties are satisfied and, while neither may have their ideal “best deal”, they each have an agreement about which they feel comfortable.

Negotiation has a ritual aspect. A process needs to be gone through. It takes time. There is to and fro debate, and it must be seen that a mutually agreeable solution is being sought. Too much haste, a rush for agreement or a take it or leave it approach can fail simply because the other party does not feel that the process is being taken sufficiently seriously. They look for hidden meaning, believe that something better must be possible and again the outcome can be stalemate.

Because of these factors the best negotiators are careful to take the broad view, to understand the other person’s viewpoint and what they are trying to achieve and why. Because the issues and motivations of negotiation are complex, the way it is handled is important. In addition, the negotiator who seems confident, dealing with all the issues logically and managing the overall process as well as picking up the detail, commands respect. How do you get on top of it all to this extent? Well, beyond having a clear understanding of the process, the key is preparation. You cannot wing it.

First things first

The rule about preparation is simple. Do it. Preparation may only be a grand term for the age-old advice that it is best to engage the brain before the mouth, and it may take only a few moments. Of course, alternatively it may mean sitting round the table with a few colleagues thrashing out exactly how to proceed with something. Whatever is necessary, it should always happen.

Clear objectives are vital. Simply saying, “I want the best deal possible” provides nothing tangible with which to work. There is all the difference in the world between an author saying “let’s see if the editor will pay me more for my next article” and aiming “to obtain a ten per cent fee increase”. Planning should be designed to produce the equivalent of a route map, something that helps shape the meeting. With people it is just not possible to predict everything exactly as it will happen. However, your plan should provide both an ideal route forward *and* a basis to help if things do not go exactly to plan.

A final point may also encourage you to spend time preparing. You must appear well prepared. If it seems obvious you are unfamiliar with the issues – more so if this is so – then it is more likely someone will run rings round you. Preparation is the foundation to success and insurance against being outclassed.

The core element

The core of the negotiation process revolves around what are called *variables*: factors that can be dealt with in different ways to create various deals. Thus in negotiating price say, the price itself is clearly a variable, but discussion may involve associated matters such as payment terms, expenses, delivery, and other factors such as timing, staffing; and more.

The overall rules here include:

- Aiming high, going for the best deal possible.
- Discovering the full list of variables the other person has in mind.
- Treating *everything* as a potential variable.
- Dealing with detail within the total picture (rather than one point at a time without reference to others).

Various ways of using variables can increase the power from which you deal. For instance, you can prompt attention by offering *reward*: something you are prepared to give. Conversely you can offer *punishment*: by flagging your intention to withhold something. Your case is

strengthened, given *legitimacy* in the jargon, by being supported by factual evidence, or by the use of *bogeys*, peripheral factors included only to distract or seek sympathy.

You have to rank the variables, in preparation and in fine-tuning as you go, identifying things that are:

- *Essential*: you cannot agree any deal without these points being part of it.
- *Ideal*: what you intend to achieve (and the priorities, because there may be more of these than it is realistic to achieve).
- *Tradable*: in other words those things that you are prepared to give away to help create a workable deal.

The concept of *trading variables* is key to negotiation. Aim never to give anything away. Concessions (variables given away) must be traded. Thus a computer consultant might link two aspects of their cost to their client saying, *We can certainly make sure all rail travel cost is at second class rates, but we do need to add a little to the fees for the travel time*. In trading, the value of every concession must be maximised when you give it – and minimised when you accept it. Thus saying: *I suppose I could do that, though it will make more work, but okay*, makes it seem that what you are agreeing is worth more than perhaps it is. While saying: *I would never normally do this* implies you are making an exception in their favour. And saying: *Well, I suppose if I do that you won't need to...*, exemplifies the effect that the concession has for them. Clearly how such things are said, perhaps incorporating some exaggeration, affects their reception.

Similarly you should approach minimising the other parties' concessions in the same way. These can be dismissed – *Fine, now next...*; *belittled* – *Well, that's a small point out of the way*; *amortised* – *I suppose that saves a little each month*; *taken for granted* – *I would certainly expect that*; or otherwise reduced in power by the way they are accepted and referred to during the discussion.

So, discussion has to be planned, directed and controlled. The confidence displayed during it is significant (and links back to preparation). You must be clear about what you want to achieve. If you utilise every possible aspect of the discussion and treat it as a variable, and deploy appropriate techniques to balance the whole picture and arrive at where you want to be (or somewhere close) – then you can achieve a reasonable outcome. Remember the win-win scenario. The job is not to take people to the cleaners. Only being prepared to agree something that is weighted heavily in your favour means negotiation may be more likely to break down and no agreement at all may result. Indeed, you must recognise that sometimes walking away, rather than agreeing something you cannot live with, is the right decision.

Even with someone over the proverbial barrel a widely skewed deal often makes no sense. You need to think long term. How will screwing them into the ground make you look? What are the future consequences? What may happen next time if your case is weaker?

And another idea...

Do not underestimate the individual techniques that can be deployed. A confident negotiator may use many different ploys to enhance their case. Some are simple, but may still add power. One example illustrates: the use of silence, which many find embarrassing, to make a point or prompt a response. Too often someone will ask something *like how important is this to you?* They wait a moment and then continue – *well, I'm sure it must be an important factor, now let's...* Such produces no real impact and, more important, no information. Wait, wait a long time if necessary (try counting to yourself, a pause that seems long and unsustainable, may be only a few seconds). But using – really using – silence is one significant ploy that can help ensure a response, provide information and assist the whole negotiating process.

If you negotiate well you can gain considerably, not least financially. Indeed a review of supplier and other arrangements early on in finding economic times are changing may be something very useful.

7. No automatic pilot

Marketing can be simplistically described as activity to bring in the business, it needs to be done effectively yet is rarely said to be easy. Marketing activity must be customer focused, continuously deployed, creatively originated and deployed and a complex mix of activity organised and co-ordinated to maximise effectiveness. It needs planning and a systematic approach, it needs... Enough. Surely there must be some straightforward approaches work without great cost and effort when tough times put us under pressure?

There may well seem to be, but you must beware the danger of pursuing what appears to be a “quick fix”; something that is all too easy when budgets and time are under pressure.

Action

The action here is simply to avoid drifting into inappropriate “easy” activity. Several approaches, chosen as the most common traps, can, in fact, cause problems and provide some examples.

All the following might be described as forms of “ad hoc” marketing. Such include:

- **Doing something only when there is time:** when workload permits do some marketing. But marketing activity must fit not *your* timing, but that inherent in the market and with customers. Failing to maintain continuity can quickly lead to so called “feast and famine”: a situation with which many small firms are familiar. As a result, one minute there can be no prospects to follow up and convert, the next – after a burst of activity – there can be too many simultaneous leads to deal with properly.
- **Convenient action:** activities favoured because of some particular factor which makes them convenient – *Mary’s got some free time this week, let’s get her on the telephone to a few people.* Mary may not be up to it, and the telephone may not be the best form of contact.
- **Subcontracting:** in other words selecting marketing activity that you can get someone else to do. This seems easy, and is also easy to decide (everyone votes for something that will not involve *them* in any personal hassle). A quarterly newsletter that can be produced externally, perhaps by a public relations consultancy, is a good example. Many companies have got locked into producing such a thing, rejoiced that it is easy to do, then found that it does not produce good returns.
- **Familiarity:** just because you may be good at something does not make it first choice for use. For example, a financial services firm stopped using cartoons on their promotional material after research showed that their clients viewed them as frivolous and inappropriate; much to the disappointment of the member of staff who loved drawing them.
- **On offer:** for example in advertising. One firm, of printers, recently described almost all their promotional budget for the year having been spent progressively as magazines telephoned them – *we have a special feature on promotional print and all your competitors are taking space.* Some of this was no doubt useful, but the ideal mix demanded more.
- **What is fashionable:** this is a form of copycat action and such is never to be recommended (of course you can copy or adapt methodology, but there should always be reason for it beyond simply viewing it as good “because XYZ does it”), especially as an alternative to some original thinking.
- **Perpetuating the same action:** sometimes a good idea continues in use beyond its sell-by date as it were, for no other reason than that it has become familiar and thus easy. Given a choice between more of the same and taking time to adapt or innovate, more of the same wins, and wins again, until method is stale and results confirm this. The antithesis of this can pay dividends. For example, should you reprint that brochure or re-write it first?

- **Action unsupported by appropriate skills:** if the personal skills that are involved are inadequate to the task then any good will be, at the least, diluted. For example, I recently attended the Budget Briefing of a local firm of accountants. Such events can work well and are well proven – but the poor standard of presentation (and lack of interest it sparked in the audience) negated any good effect.
- **Panic action:** this is never a good idea. If sales drop or competition increases and urgent action is required, then it is even more important than usual that action is thought through. Time spent in reconnaissance is seldom wasted. Ill-considered action, which might reflect others of the approaches listed here, is never likely to work as well.

Considered and co-ordinated

Marketing activity must not be skimmed. It must surely be done properly or not done at all. That does not mean that nothing other than elaborate and expensive action will prove useful. The reverse may well be true. But action must be well considered. A great deal hangs on it, so it is surely worth some thought.

For most organisations the phrase “marketing mix” is right. There is rarely one technique that works so well others are unnecessary. A mix is needed. Consideration, not least of what works best in the market, must lead to sensible decisions about which mix is the current “best buy” for you. Then activity must be deployed *creatively* – ideas are important to marketing, which continues to be as much an art as a science in tough times. And the various activities must be well co-ordinated to get the most from them. It is this co-ordination that can help maximise the simplest mix – where one thing builds on another, adding power and becoming a plan of action that is best for one simple reason – it does work and brings in the kind of business required, when it is wanted.

And another idea...

As a checklist to make sure that hard pressed time, effort and money are not being wasted on ad hoc marketing, make sure marketing activity is:

- Reflecting a focus on customer attitudes, preferences and needs.
- Embodying a considered approach (preferably linked to a plan).
- Providing continuity – rather than acting in fits and starts.
- Creative – ideas matter.
- Well co-ordinated, so that different activities form a cohesive whole and act well together.
- Regularly rethought, revised and updated.

8. Maximise business winning skills

It should be clear that any business skill that links directly to winning business cannot be allowed to go by default during uncertain times. Take the example of making presentations. This is not everyone's forte, though most can learn to do a good job of it if they must.

Those presentations linked directly to winning business affect your profitability and likelihood of surviving in good shape when sales may be declining. Say you must make formal "pitches" as a regular sales tactic to win business. Some people in the organisation may be better at this than others. Let us say that, star performers apart, the percentage of presentations resulting (this might be immediately or later depending on the kind of business involved) is 50%. That might be fine in the good times, the ratio seems okay, sufficient business is coming in and it is easy to let matters ride.

As business buoyancy (potentially) declines the number of opportunities for making presentations declines and so does the strike rate. What is coming in will soon be very much not enough. Attitudes change too: a presentation that resulted in business in good times may not now do so. Customers become more demanding and they equate a good presentation with professionalism; a lack lustre one no longer gives them sufficient confidence to place an order.

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Even to stay in the same place conversion rates must increase from the old norm; to get ahead the quality of what is done must excel.

Action

Training is one budget that is always vulnerable to cuts in tough times. It pains me to say so (as I undertake training) but there are areas of training that can wait. On the other hand perhaps there are areas where tough times demand a crash initiative is taken in training; the case for training key staff in making effective presentations in the scenario described above is surely compelling. Perhaps it is invidious to put up with lack lustre performance in so important an area at any time, though it does happen. In tough times it may be tantamount to commercial suicide. Such training can bring immediate results, both from the learning that takes place and from the awareness that is generated of what must be done and why.

Training alone may be insufficient. Another common fault is that presentations are less good than they should be, and indeed, can be, only because they are rushed. Insufficient preparation is done, justified by the – often mistaken – belief that someone can “wing it”. If the whole process is taken more seriously, if management stresses the importance, demands that due preparation is done, that rehearsals take place where necessary (especially needed with team presentations) – then standards and results can improve and do so quickly.

The same may be true in a number of areas including the writing of sales proposals, where exactly the same kind of thing applies as described here, and others from computer skills to negotiation.

Despite the tradition of quickly cutting the training budget when times become difficult, some training should become a priority and swift action can then have a significant positive effect.

And another idea...

Training is easily dismissed as a waste of money. Remember the old story of the manager saying, *I'm not wasting money on training, what happens if people then leave?* To which the answer is simple: *What happens if you don't train them – and they stay.* If you are still seeing training as a waste of money despite what has been said here, remember that training encompasses a great deal more than a formal course. Even reading this book can be regarded as low cost training and a host of different methodologies are available. Check them out, make sure they do the job (poor training is worse than none and just wastes money), but think hard before you simply wipe out training as an option.

9. Spotting new opportunities – strategic alliances

Even in uncertain times, are you searching for new ways to grow your business? Do you actively seek ideas that will positively impact on your bottom line? Have you thought of making friends with the enemy? It's easy to overlook the competition as a resource, but all you have to do is look at things in a different way. If you shift your focus to view your competitors as an addition to your supply chain rather than a rival to it, you will discover opportunities that would otherwise remain unknown to you.

Thinking of competitors as allies rather than opponents is not new. Strategic alliances are often the way forward for small to medium sized organisations. Cooperation with competitors, customers, suppliers and companies producing complementary products can expand markets and lead to the formation of new business relationships. In some cases it can create new forms of enterprise.

Cooperation in difficult times makes more sense than competition. The idea of teaming up with competitors to develop new ideas and to make your organisation better at what it does, delivers a challenge to many people. But there are a number of ways of doing this.

Strategic alliances can be formal and encompass only a specific project. At other times they are informative and active with only certain types of projects.

Action

i) Development or extension of products or services

If your business is customer-focused, you will actively seek out the best ideas and ways of serving your customers' needs. But combined strengths can produce amazing results. By collaborating with a competitor you might be able to win new contracts neither of you could do alone. One plus one can often equal much more than two.

ii) Apportioning referrals

Consider having at least three people or companies to whom you would refer business without hesitation. Ideally there should be a mutual understanding that the favour will be returned. Whether you have arranged a referral fee, a reciprocal referral, or you are the one that wins the project, everyone is a winner.

iii) Get in the know

It is essential to find out which are the best organisations producing complementary or related services in your own market. Knowledge is power and if your customers perceive

you as the place to go for information, your business reputation will grow. Your customers will value your intelligence and connections in the market.

iv) Best practice

You can learn something from everyone and every situation. No one can possibly have all the answers, which is why sharing best practice is so important. It does not mean sharing trade secrets or colluding on fees. What it means is coming together for improvement. True professionals subscribe to the principle of abundance and see the power of helping each other to get better. ‘A rising tide lifts all boats.’

v) Risk awareness

It is important to bear in mind the possible pitfalls when contemplating strategic alliances with a competitor, or anyone else. One possible issue is the lack of common goals amongst the parties. If the collaboration does not work, perhaps the synergies were not real or the communication system was flawed. It is wise to do some research before committing yourself to such an alliance – a corporate version of the pre-nuptial agreement.

And another idea...

The obvious benefits of strategic alliances mostly outweigh the risks. But it is essential to pay attention to whether you really can work together. Complementary areas of expertise are one thing, but do the personality types fit together? The question to ask is ‘can these people really add value to the project/product/service?’

Creating successful strategic alliances is a valuable skill to acquire. You need to have total awareness of your own company’s strengths and weaknesses, as well as that of your potential ally. Look for complementary abilities. Your ideal partner is a business which enhances what you do.

10. Detox and save (expenses)

This is a topic which applies both professionally and personally. If you can cut down, simplify and eliminate waste, you will be happier, healthier and better off. As I said, this could apply to someone’s personal life – like turning your back on the cream cakes and packets of crisps, eating more fruit and healthy food and going for a walk instead of popping into the pub.

You can apply these rules of cutting down or cutting out to business expenses when times are tough, and the results could be noticeable very quickly. You only need to take small opportunities to reduce expenditure and big savings will follow. An example could be your

work colleague who brings a lunchbox to work each morning. Do you admire this chap or think they're an idiot because he gets up ten minutes earlier than they need to make sandwich and a smoothie? Perhaps you even despise them because they shirks the coffee shop across the road which makes such excellent and mouth-watering take-away snacks.

But think about it from a financial point of view – if you spend even £5.00 a day on buying yourself lunch, and you multiply that by the number of working days there are in a year, (233 isn't it?), that's the best part of £1200 of your money – even more of pre-taxed income – you're spending which your work-mate isn't. If you want to feel even worse, work out what percentage that is of your salary – just for eating lunch.

It could be argued that some small businesses fail not because they make some gigantic error about market forces or bring out a product that no-one wants or even invest badly. There is evidence that small items of expenditure, the ones you hardly notice, are responsible for sapping life-blood from some companies' bank balances. We're talking here about printer cartridges, phone bills, postages, taxi fares etc. The smaller the items the less likely they are to be flagged up on the organisation's financial radar.

Here are a few suggestions for cutting down on your organisation outgoings before you have to cut and run.

Action

1. Take small steps at a time to reduce expenditure and big savings will follow. But it might be an idea to set some target figure that you wish to have reduced expenditure by within, say, six months. You don't have to sack half your workforce immediately, return your organisation car or move to a rat-infested garret.
2. Review the number of subscriptions you pay to trade associations, clubs and other organisations. There may be some (paid by direct debit) that you don't even realise you're paying for, let alone get any value from them.
3. Do you receive lots of business and professional journals? These may be paid by annual subscription in advance. Check how many of them are relevant to the operation of your organisation. Does anyone, you included, ever read them? See if you can reduce the number.
4. Have a look at, or get someone else to do so if appropriate, the telecom contracts you are paying for. There are so many deals around these days, unless you know a lot about it or have time to do the research, you may be paying well over the odds for the services you need. Great savings could be made here.

5. Don't upgrade organisation mobile phones or laptop computers just because a newer more exciting version has come on the market. See what's out there, but prices for IT equipment often fall dramatically once a product isn't quite so state-of-the-art.
6. Find the best deals from suppliers of stationery, light bulbs, paper towels, coffee/tea and other beverages, water dispensers etc. In uncertain times, it pays to negotiate.
7. Organise a review of the spending on organisation credit cards. Even a clamp down on the limit that can be spent on client hospitality (unless it has been approved higher up the organisation structure) could make serious budget savings.
8. Corporate entertaining. Spend less time with big-spending business associates. It will prevent you from being profligate with hard-earned organisation profits. Stick with the more modest types, or, if you can't avoid the flash mob, leave the restaurant early.

And another idea...

Detox. It would be a major decision to re-locate your offices to a less expensive area in order to save money but there is a simple idea you could put into practice. Maybe there is an empty room in your offices that has become a dumping ground for junk. If you detoxed/ de-cluttered it would be space available to rent to a micro-business/sole practitioner. Of course you must check the terms of the lease and/or consult your landlord for his permission, if you don't own the premises. But it could prove a useful additional amount of income.

11. Don't be cautious – be bold

In uncertain times there is inevitably an increasing emphasis on competitiveness. The true value of ITC (information and communications technologies) is that it enables you to compete better. ITC also enables you to operate at a higher level of efficiency and profit.

Understanding the roots of competitiveness is the key to growth and success in difficult times. The issue that faces everyone is how to distinguish what will really make a difference (faced with so much data, unsolicited advice and competing marketing messages).

In such a period your ITC must be used to:

Action

1. **Help generate income:** tools for better product/production design; market research; market analysis; sales administration; account management; prospect tracking; call centre operation, market communication.
2. **Stop money spilling out:** financial and operational reporting; managing overheads; expenses policy and administration; time costs; asset management; budgeting, control systems.
3. **Better performance from people:** knowledge sharing and acquisition; communication tools and processes; skills and other training; presentation aids, time management.
4. **Better use of physical resources:** deployment; maintenance; replacement scheduling; purchasing; inspection; measurement; improvement programmes.
5. **Improve productive processes:** scheduling; capacity planning; logistics and distribution; back-up; monitoring; change management; project management.
6. **Improve money management:** product/service performance; warranty; billing efficiency; time period efficiency; investments; purchasing efficiency.
7. **Help deliver strong intangibles:** customer relations; perception of quality and value; communication; goodwill; brand recognition and equity; values; integrity.

Whatever your business does, you should be able to slot in to a number of the above areas. In all probability you will be able to deliver against this model in more ways than one.

And another idea...

As the saying goes, “Nobody’s perfect, but a team can be”. Ask your team if they can suggest ways in which this model can be improved or enhanced. (If you’re feeling insecure, imagine how they feel). Allowing your staff to help generate a measurably greater competitive edge is the strongest position you could put yourself in at the current time. Don’t miss your chance.

12. “Best Buy” promotional mix

Cut advertising and what happens? Well for a while perhaps it may be very little. So it would be for most businesses (some have tested this), but the gut reaction to tough times is to cut promotional budgets. The effect can be to make a bad situation worse. If sales are already down, then a lack of advertising can send them into a steeper decline.

The promotional mix will vary for each individual organisation. It may include advertising, but also public relations activity, direct mail, sales promotion and a wealth of activities from

exhibiting at a trade show to conducting promotional events. Online and digital media now extends this list substantially for many.

If the response to tough times should not be to cut indiscriminately, then what should it be?

Action

Certainly promotion in all its forms needs to be assessed. Cuts may be possible and some activity may have been introduced for not very good reasons. But the rest needs to be assessed and may need to be focused differently. For example, if an organisation markets to a range of segments, then you need to be sure that it's worth targeting them all.

Check that:

- All promotion matches chosen areas of the market (which might be a narrower range of potential customers than in better times).
- Messages are up to date and creatively presented.
- Timing is right across all activities (it is surprisingly common to see an advertisement and find that, say, a new product is not yet stocked – or even heard of – by retailers).
- If you sell through complex channels, promotion to whatever middlemen are involved is important too; for example a book must be made visible to booksellers (physical and online) as well as readers and many others may be involved too.

And another idea...

For many businesses, perhaps especially smaller ones, uncertainty mean finding lots of different things to do to ring the changes and draw attention to your offering. A sign seen outside a travel agent flagging a one-off Sunday opening is the simplest end of this (and hopefully the announcement was coupled with some public relations or promotional activity to make sure that more people came in come the day).

For small business a simple way of tracking such activity is with a calendar/planning chart. This allow the whole period ahead to be seen as one spread and quickly identifies gaps where nothing is scheduled and more needs to be done.

13. Wow! – the power of service excellence

You always need every order and every customer possible. It is a truism that it is easier to sell something more to existing customers than find new ones. And nothing is more likely to prompt repeat orders than good, and preferably excellent, service. So it follows that you need to work hard at ensuring this is so.

Action

The action here is twofold:

- First, make sure that your customer handling activities and system are as they should be and guided by customers rather than internal convenience and bureaucracy. What this involves will vary depending on the nature of your organisation, but time spent here is worthwhile.
- Secondly, look too at your complaint handling procedures. If service is good you won't get too many, but if/when you do regard them as an opportunity – if they can be sorted efficiently then the end result can be that customers are actually more likely to do business with you again than if nothing untoward had happened (though don't encourage complaints for that reason!).

And another idea...

An area liked to the above that stands some review is that of automated telephone systems. By this I mean the ones that quote you options – *press one* – play you horrid music and spew out trite little phrases like – *calls may be recorded to help us provide excellent service*, when they make just getting through to them the very reverse of excellent service. I recently spent long minutes listening to options and pressing buttons only to be told, *We're currently closed*. Tell us that at once! This sort of thing has become part of life, the butt of jokes and yet affects choice very directly. How many people opt out part way through such a labyrinth, go elsewhere so that business is lost by whoever was in fact their first choice? It bears thinking about.

4 AFTERWORD

There is little more to say, the ideas presented here speak for themselves both in terms of individual topics and the overall imperative to take action rather than “wait for things to get back to normal”, which should very much not be an option.

The principle of action based on review and consideration has been commended throughout the piece. The examples used illustrate a principle that can be widely applied. Clearly you need to address your own individual situation and aim to make a difference to key areas. That said, it is perhaps fitting to end on an optimistic note. Perhaps the following classic tale from medieval times makes a useful point:

A servant in the King's household is condemned to life imprisonment for some small misdemeanour. Languishing in his cell, a thought struck him and he sent a message to the King promising that, if he were released, he would work day and night and, within a year, he would teach the King's favourite horse to talk.

This amused the King, and he ordered the servant to be released to work in the Royal stables. The servant's friends were at once pleased to see him released, yet frightened for him too; after all horses do not talk, however much training they get. “What will you do?” they all asked. “So much can happen in a year”, he replied. “I may die, the King may die, or – who knows– the horse may talk!”

Who knows indeed; and we might well hope that by the time the year was up he had thought of another ruse.


This attitude of purposeful optimism is to be commended.

However tough or uncertain times may affect you, they will have less negative effect if you set to aiming to minimize that effect. You may not get things “back to normal”, but thorough and systematic action can see you emerge in better shape than might appear possible at the start.

Perhaps the greatest mistake one can make in uncertain times is to wait (worse still to panic), if things can be got back closer to what you want, a prime agent of such action is you. One thing is sure, there is nothing worse than to find yourself analysing the aftermath of a difficult period and doing so with a comment that begins with the words “if only...”.

Wise words to bear in mind: Whether you think you can, or whether you think you can't – either way you're right.


– Henry Ford



What if
you could
build your
future and
create the
future?

The innovation accelerator

One generation's transformation is the next's status quo. In the near future, people may soon think it's strange that devices ever had to be “plugged in.” To obtain that status, there needs to be “The Shift”.

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