



7 Ten Positive Strategies for Today's Climate

This is a challenging time to be in business but there lies the opportunity. I've listed 10 specific characteristics of downturns and 10 positive strategies that embrace and capitalize on them.

#1 More time to create a focused business: Use this slower paced market to revisit the business you are in – what defines you. This is the perfect time for repositioning, selling off non-core subsidiaries, sharpening up product road maps and value propositions.

#2 Flight to price and quality: Now is the time to revisit your product mix and pricing strategies. Buying behavior changes dramatically in a recession. Lower priced versions of your product or subscription based business models may be relevant to ease customer cash flow pain.

#3 Measuring the signals is vital: Mistakes made in downturns can prove fatal. Convert your Accounts Department into a Metrics Center. Trap and visualize your key performance indicators. Audit the signals and constantly interpret the significance to your strategies.

#4 Acquisitions just got cheap: PE ratios of the majority of public companies are in single digits and the valuations of private companies are low. Consider a proactive approach to acquisitions by building a robust acquisition process that is proven to work. (eg The Acquisition Approvals Model is explained at <http://portfoliopartnership.com/acquisitions.html>)

#5 The "C" level suite just got a free pass to visit their customers: Never has there been a better time for the inner cabinet to visit their customers to understand the specific issues challenging them. It's not only productive, it's essential for shaping strategy. Define your engagement strategy and get on site.

#6 Value Propositions must improve a customer's performance: Receiving a purchase order, confirming a big deal is very satisfying but it's not enough. You need to be invested in the improved performance that will be achieved because your customer uses your product. Does your sales process achieve this?

#7 Curiosity & Urgency of managers dramatically increased: Well it certainly should have. This new level of alertness (perhaps it's fear) needs to be channeled to produce results. Difficult projects shelved in better times are prime candidates for this energy. Staff want to be effective and busy to get things moving again. Tap into this momentum.

#8 People and tasks are mis-aligned: Now is the time to think like a start-up. The key --Define Performance Profiles that your company needs to be executed, not job specs but tasks that need to be done well. This will cause old jobs to be merged and new jobs to be created.

#9 Silo Management is broken: Urgent initiatives will fail without cross-functional support. Company visions need to inspire and flow across functions. Build cross functional teams to execute top priorities.

#10 Competition thins out: It might be difficult to create double digit growth but you can grab market share. The best companies don't just survive bad times; they grow and develop into more robust and valuable businesses.