

10 fundamental priorities

Every business is facing new challenges that must be addressed. Equally, the market conditions provide a unique opportunity to revitalise a business. Here are some questions you should explore to understand the challenges and opportunities facing businesses.

1 Do you know what impact the downturn will have?

Take a closer look: The goal posts are moving; understand the true picture not what you'd like to believe. Get to the bottom of what's driving your business; what you do best and why.

2 Are you agile and confident?

Act decisively: With increased uncertainty and volatility it is important to take tough decisions early. Focus relentlessly on the key drivers of value and the key risks across the business. Don't sit back and wait; the winners will be those who position themselves to take advantage of the upturn.

3 Have you secured your financial sustainability?

Cash is king: Ensure your finances and working capital are in good order; protect your liquidity; Re-examine your financing and funding. Monitor your performance against financial and non-financial covenants. Align operating flow to profitability.

4 Are your investments value creators?

Focus on what really matters: Evaluate which products, customers and channels create or destroy value. Revisit your existing investment programmes – what initiatives could you stop or defer? Proactively manage the sales discipline to understand the cost to serve customer; identify where margins are shrinking.

5 Are you reducing costs effectively?

Manage your cost base: Focus on enhancing operational performance; go for targeted rather than across the board cuts; reduce unnecessary complexity; look at whether your business model needs to change; adopt lean supply chain principles.

Challenging times call for questions that challenge

6 Can you get the right information?

Analyse and act: Now more than ever you need the right management information; clearly defined KPIs are essential to ensure improvement initiatives effectively add to customer and business value. Decision making needs to be based upon facts; speed of decision making needs to improve.

7 Have you planned for success?

Plan for different scenarios: Winners demonstrate agility and flexibility; model a range of financial, operational and workforce scenarios that reflect the impact on your business; explore your strategic options with agility.

8 Do you have the right people?

Recognise the value of your people: Regular and clear communication with employees will maintain their engagement. Identify key talent and retention incentives; free up limited resources by outsourcing or partnering functional activities; secure strategic new talent that is suddenly available.

9 Are your stakeholders on side?

Take your stakeholders with you: Work with your stakeholder to evaluate the likely impact of the downturn. Perception is often reality so maintaining regular and open dialogue on a timely basis is essential.

10 Are you looking for opportunities?

Take advantage of the opportunities: Don't stop innovation or investing in those areas of growth you will need for the future. Identify the growth opportunities that may exist; revisit options shelved in boom times; surface opportunities to acquire strategic targets; negotiate more favourable relationships. Have an eye for the future.