

# **Winning in a Downturn – Tactics to Survive and Thrive in Turbulent Times.**

**Rohit Talwar – CEO – Fast Future**

I will be delivering the second in a series of public seminars on the theme of Winning in a Downturn at the QE II Centre in London at 6pm on June 22<sup>nd</sup>. To find out more about the event, please email [wiaad@fastfuture.com](mailto:wiaad@fastfuture.com)

## **The Winning in a Downturn Research Programme**

Our current research on Winning in a Downturn focuses on understanding what organisations of every size are doing to survive the current turbulence and secure the future. Below we have summarised twenty of the critical ideas which we find most compelling and most readily actionable by any organisation. We will expand on these with practical case examples at the seminar mentioned above.

### **1. Use scenarios to plan for an uncertain future**

In this uncertain and turbulent economic climate, businesses no can longer rely on a single business plan or set of assumptions. Instead the most successful are tackling the uncertainty by using scenario planning to prepare for a wide range of possible outcomes and to identify the opportunities that could arise even in the worst case scenarios. At the same time, they are asking themselves tough questions under each scenario:

- Which market segments and aspects of our business would be most at risk?
- What would the implications be in terms of products, pricing and who our key customers would be?
- What resources should we keep or let go?
- Which actions should we be taking under any financial climate?

### **2. You can still grow in a downturn**

Remember, even in a downturn, there is opportunity. A 5% shrinkage in an economy means that 95% of activity is still taking place. In a worst case scenario of 25% unemployment, 75% of workers are still employed, and their firms are still buying, trading and needing products and services.

Some of the world's biggest companies launched in economic downturns (such as Microsoft, HP and Tesco). Recessions create huge upside opportunities. Rents are lower, raw materials are cheaper, firms are keener to trade, capital goods are cheaper and labour is more abundant. Under these circumstances, those with the right mindset can really accelerate business growth.

If your rivals are focussed on cost cutting, they are probably not paying enough attention to their customers. This creates a tremendous opportunity to step in, examine and enhance every aspect of your customer offering, add more value, differentiate service, make it better and easier for customers to do business with you and increase their loyalty as a result.



### **3. Revisit the business plan regularly**

Tight financial management is essential to ensure you have the resources to continue in business. In a volatile economy, we have to rework our business model on a regular basis to ensure we can survive on smaller orders and lower revenues per transaction. Cutting inventories and educating your 'environmental footprint' can play a massive part by eliminating waste and improving energy efficiency.

### **4. Deepen the customer dialogue**

Investing time creating a long-term dialogue with your customers will reap long term rewards. The better you understand (i) how your products and services are used by your customers, (ii) the technical and logistical challenges they face and (iii) what their future plans are, the greater the opportunity to provide genuine added value solutions and deepen the long-term relationship. This kind of insight helps you move from simply promoting what your products can do to co-developing solutions and technological innovations for 'what they want'.

### **5. Engage and support the supply chain**

Maintain a constant dialogue across your entire industry supply chain. Talk to your staff, suppliers, partners, competitors, regulators and investors to understand how they are all being affected and how they are responding. Use what you learn to identify ways of adding value to your end customers and to your products and services through collaborations across the supply chain.

Thinking out of the box about how to build long term supply chain relationships can pay big dividends. At a time when your competitors might be more internally focused, simple investments of time and resources to help address issues for the supply chain will help differentiate you. This might include lending staff time to solve technical problems, helping with product innovation, co-marketing arrangements, contributing to training costs and even mentoring new managers in smaller suppliers.

### **6. Invest in your people**

Investing in your people will pay dividends in terms of morale and the positive impact on customers. Demotivated staff don't generally perform well or deliver good service. Low cost training options include e-learning, accelerated learning solutions, secondments, job swaps, inviting in guest speakers from the industry and promoting involvement in physical and virtual social networks. Encouraging staff participation in volunteering programmes for good causes can bring massive motivational benefits.

### **7. Embrace open innovation approaches**

Many firms such as P&G and Kraft are adopting a more open approach to innovation – encouraging and rewarding those outside the business to contribute ideas. This approach dramatically expands your research and development capability, accelerates new product and process development, cuts costs and provides an effective way to increase exposure to your brand. For smaller firms, it provides an opportunity to be part of the larger innovation ecosystems for big companies.

### **8. Implement changes quickly and decisively**

Once decisions to implement changes have been made, act fast and decisively, whether reworking your business model, closing down inefficient operations, making redundancies or changing pricing structures. It is critical that once a decision is

made, it is communicated and acted on rapidly so everyone can come to terms with it and move on.

Emotionally, your people have to be in a place where they are listening to, inspiring and energising customers. If a company does not innovate and if employees are worried more about internal politics than serving the customer, business will inevitably suffer.

### **9. Focus on the vital few**

Free up time and resource by focussing on the 'vital few' initiatives that are critical to your business. Most companies run any number of initiatives, both big and small. Cancel or postpone those which are not considered core and those where you know you are unlikely to receive the investment or support to proceed to full implementation in the current climate.

### **10. Rethink your marketing tactics**

Never neglect marketing as an effective tool even in an economic downturn. The internet and social media tools such as Twitter are proving to be powerful low cost ways of maintaining and enhancing brand presence. Events can be very effective – particularly when you can provide the kind of training and education that customers may be cutting back on.

### **11. Be magnetic**

Does your business generate opportunity while you sleep? It is important to ensure that you are working in a smart way to attract new business opportunities and ideas. The more your people are visible in the market and out there communicating, participating and adding value in physical and virtual social networks, speaking at events, writing articles in key publications and keeping the brand visible – the more 'magnetic' you become and the more opportunities will come to you.

### **12. Build confidence for the future**

Firstly generate trust by sharing your results and plans for the immediate future. Secondly, demonstrate all the things you are doing to create added value for your customers. Finally, make it clear that you are not panicking but using the downturn to innovate, plan for the longer-term future and review every aspect of your customer offerings to ensure they are adding value.

### **13. Focus on the future**

Sales and marketing approaches need to shift away from simply promoting what you have to genuinely adding value for customers. A really powerful tool is to develop and share scenarios for how you see your market developing. Every customer that you serve needs to ask themselves, "What's next? What's going to change in the future?" It could be technology, new markets, environmental pressure or the way businesses are operated. Everyone is desperate for such insights but many don't know how to gather and analyse the information or free up the time to do it.

If you can come in and share your views and insights about the future, this can help clients determine how they would respond to different possible scenarios. This sets up a platform to work together to develop the strategic solutions to the different opportunities they see emerging under each scenario. This helps lock you in as a

strategic partner, and provides critical insights on what your key customers plan to do for the future. For smaller customers, you could create half day sessions where they could come to you to hear about your future insights and think about how they should respond. It also creates barriers for your competitors as customers won't want to repeat the exercise with every supplier.

#### **14. Listen**

You need the insight of your suppliers, distributors, affiliates and end customers and ultimate end-users to fully understand their challenges, which will enable you to create the best product and service portfolio.

#### **15. Adopt a winning mindset**

Give yourself permission to believe you can do things a different way. You don't have to follow the path of the rest of the industry. You can be the first try new approaches, innovation doesn't have to be expensive. Try to develop this kind of mindset throughout the business.

#### **16. Drive environmental improvements**

Our environmental performance will be under increasing scrutiny. An honest and pragmatic approach is required. Acknowledge that it is a real issue, sign up for all of the key industry wide initiatives and act fast to implement the solutions that emerge. Measure your environmental footprint, benchmark against competitors and leaders in other sectors and determine the improvement actions you will take. Share your plans and progress with the supply chain and seek their input. Work with customers to create the next generation of more environmentally products that help address their challenges. There is a lot of good practice case material to draw on.

Do not take a defensive posture. Establish solid measuring systems and report progress in reducing emissions, waste and resource consumption. Use your workforce and supply chain to come up with ideas and innovations. Offer tools and training to help customers and partners measure their footprint and how to drive it down. Think of smarter ways to use energy, demonstrate more environment friendly products, show people how they will save them money.

Eventually new legislation will hit everyone and you do not want your products to be affected, so it really is in everyone's best interests to act now and avoid having to try and play a costly game of 'catch-up' in the future.

#### **17. Scan the horizon**

Many organisations have been caught out by a failure to scan the horizon for the key trends and indicators of 'what's coming next'. In reality these megatrends create both opportunities and threats which could either damage or enhance our business depending on how we respond. Examples would include the continued growth of the internet and mobile phone usage, the shift of economic power to the developing world, the rising scale of western government capitalism and the resulting levels of public sector debt, an ageing society, rising population, and an accelerating rate of development in many fields of science and technology.

## **18. Understand the megasectors**

Almost irrespective of what happens to the economy, we know that certain sectors will be multi-trillion dollar global markets simply because of how critical they are to every economy. These would include infrastructure, energy, education, healthcare and green technologies. These are 'opportunity rich' sectors for large and small firms alike. The challenge is to select key areas to focus on, research them well, find the right partners and have your radar tuned and your network alerted to advise you as opportunities arise.

## **19. Raise the intellectual value of your brand**

One of the most interesting trends we are seeing is that of firms shifting marketing budgets from advertising to research sponsorship. The latest Edelman Trust Barometer shows that trust in traditional corporate advertising is declining. The lifespan of an advertisement is also relatively short lived. In contrast, firms are finding that sponsoring research which is of value to their customers and partners creates an output that has a longer lifespan than an advertisement. Furthermore research tends to be shared amongst many readers and positions the sponsors as being serious about the issues of importance to their stakeholders. Finally, research offers a powerful platform from which to create new conversations. Many are finding that while their requests for sales meetings are rejected, customers and prospects are only too willing to attend or host short research briefings that can provide them with useful insights.

## **20. Looking from the outside in**

Who has the responsibility to provide an external challenge to the way you do things? Who around you do you trust enough to ask you difficult questions about the decisions you are making? Who in your business understands what challenges you will face as you go through the next phase of growth? Who is spotting the next set of trends and developments that could impact you in a positive or negative way?

For many small to medium sized enterprises, the temptation is to assume that we can do everything and not seek out external help. However, our research highlights that many of those who have done best at anticipating and responding to the downturn also have trusted sources of external challenge and advice. This can be in the form of non-executive directors, a more informal pool of advisors, membership of a CEO network or a personal coach. An unexpected benefit for many has been that these trusted advisors have also become very powerful brand ambassadors – promoting the business externally and generating additional opportunities.

## **Conclusions**

We have covered a lot of ground here, and hopefully provided some practical ideas. To succeed now and in the future, I would leave you with three key messages:

1. Invest in your people, customer relationships and innovation
2. Open up to ideas from outside the organisation and think in 'out of the box' ways about working with the supply chain
3. Give yourselves permission to believe that you can outperform the sector and win in a downturn.

**ROHIT TALWAR** is a global futurist, award-winning speaker, entrepreneur and specialist advisor. He is the founder of the research and consultancy organisation Fast Future and was profiled as one of the top ten global future thinkers by the UK's Independent newspaper. He is currently running a number of research studies including a program to identify the key strategies adopted by businesses that are Winning in a Downturn.

He has spoken to audiences of business leaders in 40 countries on five continents, and consulted with leading corporations, associations and government agencies globally on scenario planning, development of future strategy and driving innovation and change.

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### **Testimonials for the Winning in a Downturn Seminar**

*My colleague and I were delighted to be invited to attend a seminar hosted by Rohit Talwar at the QEII Conference Centre. The event proved to be an enlightening experience and gave a real insight into strategies that could push our business forward during these difficult times. Rohit's presentation was clear, informative and entertaining, giving a global perspective to the challenges faced by businesses going into the next decade. The presentation provoked a truly illuminating discussion among the delegates, facilitated by Rohit's insightful comments, everyone felt able to contribute to the conversation and this added greatly to the effectiveness of event. It was a shame we had to curtail the discussion but I think we would all still have been there for breakfast if we hadn't stopped when we did!!! would not hesitate to recommend Rohit's seminars to anyone who thinks and works on a strategic level, within a business or any other organisation. **Steve Cook - CEO - The CBS Group***

*Rohit, I thought you were fabulous last week. In fact I will write about it in my next monthly newsletter. 'Winning in a downturn' is an eye-opener of a presentation that fills the mind with ideas. It also either provides an affirmation of things you are doing or a sharp reminder to make change where change is necessary! Your easy style makes for compelling 'viewing' and interaction. **Trevor Foley – CEO – TF Connect Ltd.***

*Rohit's seminar – Winning in a Downturn – was one of those rare sessions which pass by in a flash and truly inspire new ideas. The combination of macro trends, practical actions and information from such a variety of sources really gave me food for thought and clearly inspired any number of ideas and questions from the other members of the audience. I have been remembering snippets all week and telling people about new trends, interesting facts and how we'll all live to 150! I can highly recommend Rohit as a speaker and this session in particular – you will not be disappointed."*

**Carina Bauer - Marketing & Operations Director - IMEX**

*Rohit is an excellent speaker and engages with the audience in an open and approachable way. The conference was an interesting insight into what the future economic climate might be and how to plan in uncertain times.*

**Sam Cork - Brand and Marketing Executive - Gulf Oil Ltd.**

*Just a short note to thank you for your presentation yesterday. It was fascinating and enlightening and clearly engaged the whole audience which was shown by the enthusiasm of the extended question and answer session.*

**Jane French - Director - The Right Address Ltd.**

*The subject matter was diverse and thought provoking. The audience were both engaged and entertained with many delegates debating a range of points from the presentation. Thanks for a great evening and an opportunity to encourage more lateral thinking. I certainly would have no reservations in recommending your services to our clients. I look forward to reading the book! **Paul Davis - Sales Director - McCullough Moore Ltd.***

*Thank you the Winning in a Downturn seminar. I found the evening very valuable. Your presentation was extremely insightful and thought provoking. It gave me the impetus to think strategically where my firm's services should be focused going forward. I agree that energy, infrastructure, healthcare, education, the internet as a core platform and the global shift in population will all play a key to success for companies going into the next round of scenario planning. The strategies and programs that you outlined will go a long way to help companies succeed. **Rick Weber Managing Director TimesPi Consulting***

*On behalf of the Kellen Europe organising team, I would hereby like to express our appreciation for your contribution to the success of this year's EuroConference. Your presentation was highly informative and much appreciated by the audience. We noticed a very engaged audience, eager to hear more or challenge you with "why Europe is important" - that is what it should do. The books went like hot cakes. It was a great pleasure to work with you again. **Alfons Westgeest Managing Partner Kellen Europe***

*Dear Rohit, I'd like to express our sincere thanks and most heartfelt appreciation for your excellent presentation at the Middle East Duty Free Conference last week in Abu Dhabi. The delegate feedback we have received on you is also nothing short of outstanding. We greatly appreciated your commitment to the conference theme and the way you responded to the brief - it was spot on. Not only was your presentation informative and provided real learning experience, you also delivered it in a truly entertaining manner keeping delegates on the edge of their seats throughout.*

**Michael Barrett - Conference & Research Manager - Tax Free World Association**

*"Rohit's dinner speech had the audience spellbound - I know because the room was absolutely silent! I even overheard a delegate on his mobile, relaying some of the points back to his European office at the airport the next day ..."*

**Jane Cartwright - Event Manager - Estates Gazette Industrial and Distribution Summit**

*"Thanks for an excellent talk, I found it very enlightening! We at Business Link Yorkshire were delighted with the evening, the feedback from delegates was excellent and I know a lot of them had their eyes opened about how to Win in a Downturn and trends and opportunities in the world today". **Gavin Hine – Partnership Manager - Business Link Yorkshire***