



DO BUSINESS FASTER™

Jim's Profit Accelerator 246 What to Do Now about the Maybe Recession

Talk of a coming recession (maybe) prompts a flood of memories and thoughts, mostly not so good. It's easy and damaging to go straight to a plan for layoffs. It feels good (I've "done something"), but it seriously risks morale, performance, and profit, so don't do it. You can plan a real layoff in two or four weeks (and observe legal notification requirements earlier if needed). We're not there yet.

SPEED BUMP: Don't do layoffs until you must.

Instead, here are three things you can do:

Now actions that will help your business (and your people's morale):

1. **Sales:** Start a three-month sales focus. Ask your teams for a plan to boost sales. Ignore whining about softer market, price competition, past mistakes, or all the other reasons that show up when it's time to give the sales wheel an extra push.
Action: Call every current customer, past customer, and best prospect. Ask this question: *What can we do to help you now?* Track prospects, reward calls, not just sales (a "call" means talking with the buyer, not leaving messages. Tally daily and weekly calls.
2. **Margin:** Look hard for places to improve profit margin. That includes dropping dead items, re-costing key ingredients, and, if possible, measuring profit on each sale and each salesperson. Talk here has high impact.
3. **Customer Service:** Repair the weak spots you already know about. Ask current customers how you can help them, and then LISTEN closely—do not rush. Raise the bar—out loud—with everyone in your organization that impacts customers about doing better by customers. Avoid extra discounts except to rectify a significant error. Empathetic listening to seek a solution that the customer would appreciate usually is free and makes a more significant impact than money. If you record customer conversations (do it the right way), listen and learn.

SPEED BUMP: Recruit all your people toward these goals.

Talk frankly to all your people: "There's talk of a possible recession. No one knows whether or when, but there are things that we can do now to respond in advance. These things will make

us stronger and make our customers appreciate us more. And that will help us in the future, and now.”

Bonus: Identify the few folks who are clearly not performing in their jobs and move them. They can either move to a position in the company that suits them, or out of the company. Do the moves after proper communication and preparation (warnings, attempts to train, etc.), but take action within 90 days. To do that, set a date for a move, and work backward to schedule necessary preparation. If the preparation reveals no need to move, you’re ahead of the game. The downside is further ignoring these folks. It’s wasteful and hard on them and their lives.

Making moves like this is a major goal of much of my coaching. Leaders just don’t like to inflict pain on their people, and they miss the existing pain because it’s under the surface.

ACCELERANT: When will you start the recession-proofing with your people?

For more information on how you can accelerate revenues and profits in your business, please call or email me.

A note on **SPEED BUMPS:** Use them to click quickly with an idea that can immediately be implemented in your life as a business leader. Think: “How can I use this today?” or “Who can use this?”

For more information, visit www.grewco.com.

Jim Grew, the Business Defogger and Accelerator, helps leaders discover hidden opportunities within their businesses and exploit them for dramatic results. Jim has led 9 businesses, worked in 31 companies at C-level, and is an expert in strategy and executive leadership. He presents regularly to industry groups, mentors business leaders, and shares insights in his Executive Letter (above). Jim holds BA and MBA degrees from Stanford University. In his new book, *The Other Side of Succession*, he shares how to plan for the future by growing your business now.

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