

Job losses, budget cuts and doom and gloom is spreading like wildfire. So how do you, as an employer, balance your workplace to maximise your profits, keep clients happy, retain staff, keep morale high, provide a career path for employees – all when experts are predicting very difficult times for the next year or so? Mark Rosenberg, Managing Director of Balanced Curve, a company that specialises in management consulting and coaching has a few tips that might make it easier.

What should employers be focussed on during the next 12 months?

Employers should be focussing on the things that are really important: cash flow, employees and customers. They should do some simple strategic planning. They need to revisit their vision for the business, clarify who are their target customers, review where their revenue is coming from and get a really good understanding of their costs. Identifying risk and developing ways to protect the business must be a focus. It is also critical that employers spend time ensuring that they are meeting the needs of their existing customers (especially their key revenue drivers). They need to set some clear, meaningful goals and then develop some simple action plans to ensure they achieve them. The two key questions that need to be asked and answered are where are the opportunities for maintaining and growing revenue and how can we reduce our costs?

How important is it to have a Business Plan?

Having a business plan is important. It forces you to examine the business, set clear goals and hold yourself accountable. As they say, it's difficult to score if you don't have a goal. A good business plan doesn't need to be 100 pages. Rather it needs to spell out some key SMART goals (specific, meaningful, attractive, realistic, and time bound). The adage that what gets measured gets done is true, so it is critical that employers spell out their key goals, how they plan to achieve them and how they will measure their performance.

How can employers grow their business in the middle of the global financial crisis?

Start with your existing customers. Use any additional time you have to develop your relationships and get a better understanding of their needs and how you can improve your performance. It's often surprising how much more business you can get from current customers when you really get to know them. Then move on to potential new customers. Spend time identifying the most lucrative segments and how you can grab their attention. Focus on what you do well and tell people about it! You must tap into their emotions. And don't be afraid to seek assistance. Getting a good external marketing adviser will be one of the best investments you ever make.

How do you keep up staff morale?

Be positive! Talk in terms of a three year plan not the next 12 months. Develop a sound Business Plan and share it with your staff. Where possible, involve as many people as you can in the business planning process. Don't be an ostrich. Be open and honest and keep people informed of how you are progressing. Challenge your people to identify opportunities for growth, improved efficiencies and cost reductions. If you do have poor performing staff, you must bite the bullet and get rid of them. If you don't, they will inevitably undermine morale. And if you have to make positions redundant, be empathetic when dealing with the disappointment and hurt the organisation will feel. Communicate what is going on and why. Do as much as you can to help the people who are being made redundant and be proactive in helping people cope with their new or more expansive roles. At all times demonstrate concern and act with integrity.

What sort of things can businesses do to cut costs without sacking staff?

The starting point is to go through every single line item to identify potential cost cutting opportunities. Don't be silly in terms of doing things that have little impact other than to damage team morale (like cutting the biscuits) but there are always savings to be found. You should review any expenditure on items that are not being consumed such as stationary and raw materials. Do you need to have that much stock? Explore whether scheduled computer and equipment upgrades really need to take place. Look at the cost of phones and travel and explore whether they can be reduced. Is it possible to renegotiate your trading terms with suppliers? You don't know if you don't ask! Many would rather help you stay in business than lose a customer.

Think about whether you can reallocate existing people to focus on the more critical areas of the business. It may make sense to re-train staff to perform more valuable tasks. And if things are really bad, explore how you might be able to cut labour costs but still keep your employees. Are there people who might be willing to work a four day week? Are people prepared to take unpaid vacation to help the business survive?

Any final advice?

While things are tough now, smart Business owners will be doing two things. First, they will be focusing on the two or three critical issues that they need to manage well in order to survive. Second, they will be thinking about what they need to do to be well positioned when the current cycle ends. And it will end. Don't make the mistake of thinking too short term. Finally I'd remind people to focus on the small wins. Ultimately it's a mind game. Focus on the things you can control! The rest will take care of itself.