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Recession Power: How Great Companies Rise to the Top, Even in Down Times

Whether your business survives or thrives during a recession is, at least 85%, within your control.

by **Denise Corcoran**

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- Are you tired of hearing all the “doom and gloom” forecasts regarding our current economy?
- Do you find yourself obsessing with worry and fear about the potential impact on your business?
- Are you ready to shift from victim mentality and knee-jerk reactions to opportunistic thinking and proactive strategies to profit even in recessionary times?

“Recession” is one of the most distorted, counterproductive words in the English language! Its mere use engenders a strong emotional response - from consumers and businesses alike - ranging from fear and pessimism to total sense of defeat.

The Real Truth About Recessions

Yes, we are in an economic downturn. However, recessions are neither negative or bad in themselves. Recessions are “contractionary” periods, as normal as the seasons. Call it the “yin” and “yang” of economic cycles.

As spring and summer are “expansionary” seasons when nature is in full bloom, so too are times of economic growth. The fall and winter seasons, in contrast, are times of contraction. These “yin” seasons – filled with longer nights -- tell us to go inward, reflect, conserve our energy and shed what no longer serves us. Recessions serve the same purpose.

Warning: It Is Your Beliefs About the Recession That Can Be Fatal To Your Business

Our economy and our businesses go through similar expansion and contraction phases. Why so many people – and perhaps you are one of them – sink to despair or paralyzed with fear by the word "recession" is because of your beliefs about recession and the meaning you give to the word.

"*Recession **IS** strictly a matter of perception."*
Denise Corcoran

How you perceive and respond to a recession will determine whether your business grows profitably or fights for survival. Below are the top 7 reasons why great companies thrive during a recession and how you can do the same.

Top 7 Reasons Why Great Companies Rise To The Top, Even During Recessionary Times

1. Great businesses transform external threats into opportunities.
The Japanese are masters at crisis management and look at situations like recessions as polarities. I.e., neither all good nor all bad, but a mixture of both. The Japanese symbol for crises is a representation of two separate symbols: ***danger*** and ***opportunity***. Such a perspective encourages responsiveness - not reactiveness. As a result, the Japanese focus not on the problem, but on new solutions... not on survivability, but on growth... not on short-term losses, but long-term prospects.

How are you perceiving the current downturn – as a threat or an opportunity? How have you reacted to past recessions? How might the recession actually be an opportunity for your business

2. Great businesses take advantage of and profit from changing dynamics in the marketplace.

A business can ***grow and profit*** during a recession if it understands the underlying dynamics of the marketplace. Crises tend to stimulate change

in people. The challenge is to respond to such changes in a timely and direct fashion. To take advantage of these shifts, it is critical to address the 5 “W’s.”

WHO

Who is doing the buying now? Although overall spending may be down, such trends cannot be generalized across all industries and business segments. Buying behavior shifts, changes and refocuses more than it declines. *What new markets can you address that are actually on the rise?*

WHAT

What needs and benefits are priorities for your customers at this time? Are there new products or services that might address these shifts or serve as alternatives to satisfy the status quo?

WHEN

What needs must the customer have satisfied now vs later? What special incentives will motivate the consumer to buy today?

WHERE

During a downturn, customers often rethink their buying loyalties. *From what sources are they currently buying? How can you make your products more accessible to your target market to buy?*

WHY

The “why” addresses customers’ underlying motivations for buying. *What motivations are driving customers’ buying decisions today*? *What are customers’ expectations of the future? How will these expectations affect their buying behavior today?*

3. Great businesses catalyze seemingly “negative” times into positive moves.

In recessionary times, great businesses aggressively look for the “silver lining in the cloud” and mobilize resources to seize those hidden opportunities.

They act, not react.

The winners are those who recognize that their future is not determined by external events, but by their response to those events. They stay focused on what they have control over, and respond proactively to those they can't control.

What positive moves can you take instead of reacting to the recession? How might you better utilize your resources to seize hidden growth and profit opportunities?

4. Great businesses make room for new growth by "de-cluttering" that which is marginal or ineffective.
During times of growth and expansion, it's easy to get hooked into over-spending, "over-doing" and over-confidence. Sloppy behaviors, attitudes and habits often creep in and get masked. All too often, companies go unconscious about important basics and become oblivious to "waste."

Great businesses take advantage of down times to de-clutter "excesses" – ie., any drains on time, money or people resources generating little or no return. They scale back to what they do best in order to be at their best. They make room for new growth and profits.

What overhead, projects or activities are draining your business' resources? What products, services or customers are clogging your profit pipeline and need to be shed? What operational "fat" must you trim to become a lean profitable enterprise, especially during this current recession?

5. Great businesses build their resilience muscle to thrive in tough times.
In the 21st century, accelerating change, increasing complexity and escalating risks have become the new business reality. To withstand external shocks that can destroy a business, it must build its resilience capacity.

Resilience, first, is a mindset. Resilience thinking transforms uncertainty into confidence, fear into action and adversity into advantage. On an

organizational level, resilience comes from a strong culture based on operational flexibility, employee loyalty and team collaboration.

Great businesses don't just rebound from a one-time crisis or setback. They build the capacity to expect the unexpected and continuously reinvent business models and strategies as circumstances change. They build their resilience muscle.

On a scale of 1-10, how resilient is your business right now in bouncing back from crises or setbacks? What next steps can you take today to build a capacity to expect and respond to tomorrow's unexpected?

6. Great businesses aggressively position themselves ahead of the competition during economic downturns.
During economic downturns, most businesses go on the defensive -- cutting back costs, downsizing marketing efforts and commoditizing products and services – just to survive.

Great businesses do just the opposite. In recessionary times, they position themselves to win -- ramping up promotions, accelerating new product introductions, and keeping a visible profile. By taking advantage of the emerging opportunities, they not only differentiate themselves during the downturn but also position themselves for explosive growth after its turnaround.

Is your business taking an offensive or defensive position right now? What 3 aggressive strategies can your business take to keep a visible profile in the marketplace? How might your competitors' defensive reactions become your opportunities for new growth and profits?

7. Great businesses find the "learning" and the "grander purpose" hidden within challenging times.
Our greatest challenges are our greatest teachers. Their "grander purpose" is to shift our thinking, behaviors, strategies and actions and ultimately aid us in our future growth.

Businesses negatively impacted by a recession never see the grander purpose such times can offer them. Instead, they perceive only the worst, react out of fear and shrink to a victim mentality.

Great businesses, on the other hand, see recessions as learning opportunities. They recognize that yesterday's thinking and strategies will not address today's challenges. For these businesses, recessions motivate them to get closer to their customers, reassess their direction, and take action in new and creative ways. Their rise to the top is often a by-product of their beliefs, attitudes and responses to such challenging times.

How are yesterday's thinking and strategies holding you back today? What new attitudes and actions must you adopt to thrive in the current downturn? How might your business become a better business as a result of the recession?

Whether your business survives or thrives during a recession is, at least 85%, within your control. You control how you perceive it, how you respond to it and how you learn and grow from it.

If seen in the right light, an economic downturn can be a blessing in disguise. Those businesses that do will rise to the top. Will you be one of them?

Denise Corcoran - CEO, The Empowered Business (tm) - assists CEOs, executives and business owners in taking a quantum leap from the ordinary to extraordinary - from unrealized dreams to mastering their destiny - from slow growth to exponential results. A business & leadership coach, growth strategist and Master NLP Practitioner, Denise's unique "inside out" approach can help you and your organization transform untapped potential into profits and results.

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