

5 KEY STRATEGIES TO TURN AROUND A BUSINESS IN CRISIS

PULLING YOUR BUSINESS OUT OF A NOSEDIVE

1. DEVELOP A RECOVERY PLAN AND MONITOR YOUR PROGRESS

- Ensure that the strategy developed can be implemented in the time frame available, and that it is clearly communicated and understood by all involved.
- Do not veer from the strategy unless it becomes apparent (through measurement) that it is not working.
- Discover the key business metrics and measure them with monotonous regularity.

People need leaders, not managers, in times of crisis.

2. CHARGE THE RIGHT TEAM WITH THE JOB

- Cleaning house does not need to be and should not be a brutal or humiliating experience.
- Every turnaround involves creating a new culture. Therefore, if you fire people inhumanely, you will create an environment of mistrust amongst the employees and their co-workers - and of the company in general.
- Honour contracts, allow those to be let go to resign with dignity, communicate honestly and ensure that an environment of fear does not manifest itself within your existing team.
- Find a solid team to lead the business's people and profits back into the black.
- And do it quickly.

It's a rare business that shrinks itself to greatness.

3. THINK "MONEY IN" NOT "MONEY OUT."

- Apologise for past mistakes and then focus on providing and delivering a consistently better product.
- Don't be cost-cutting myopic. Focus on increasing the top line rather than cutting the bottom one.
- Remember to ask simple questions like "Do we have a product people want to buy?" "Will our distributors sell our product?" and, "Are we taking care of our best customers?"
- In short, don't forget to think about money in, or good old-fashioned revenues.

4. ASK THE RIGHT CUSTOMER THE RIGHT QUESTIONS

- There is a huge difference between asking what customers want and what they are willing to pay for. Make sure you know the difference.
- Consider the positive impact improved service delivery will have on the team members responsible for the front line contact with customers.
- Look for innovative ways to get 'more bang for your buck'.

5. LISTEN TO THOSE WHO KNOW BEST HOW TO DO WHAT YOU DO BETTER

- Enlist the support of the employees of the business in order to realise dramatic and lasting results in a short time frame.
- Involve the team, listen to the team, learn from the team and share with the team.
- Communicate, communicate, communicate and work hard to build trust and mutual respect.

COMMUNICATE, COMMUNICATE, COMMUNICATE!