

Our Ten Point Action Plan for the next 10 weeks

Rationale

Some things can be changed, some can't. [The world will be uncertain until 1 Feb 09 at least \(download The BMC forecast\)](#). Cash will be short and certainty even rarer, but this will change. As stability returns to the Western banking system (expect further problems in other countries) the determined, positive and purposefully led NZ business will have great opportunity to gain market share for the following reasons:

1. Some competitors will be crippled by cash shortages or the loss of some customers.
2. Many competitors will over-tighten and be unable to meet customer needs as they expand or evolve.
3. Many NZ daughter companies of multi-nationals will be starved of cash and direction.
4. Many businesses will be too internally focussed or pessimistic to spot or seize opportunities.
5. Some businesses will be simply demoralised or dysfunctional after a period of downturn.
6. Some overseas sources will become unreliable as foreign manufacturing slumps and NZ customers are let down.
7. Some overseas sourcing will become less attractive as the exchange rate stays weak.

Nothing lasts for ever and this **golden period** will extend into the final quarter of 2009 by which increasing optimism and the availability of cash will increase competitiveness once more.

What should be done?

The underlying premise is to get things under control - for risks, problems or actions to be managed so that as much management time and effort can be spared for sales and marketing after the summer break concludes. This can even be as simple as saying Friday and Monday are for finance, risk and worry and Tues-Thurs about getting sales!

Do not forget, a downturn is not like catching a cold – the economy is fundamentally different after a period of recession as old ways of doing things have been superseded – evolution is at its strongest during times of adversity.

Actions that were appropriate in a time of overheating – satisfying the customer at all costs - have been replaced with a defensive mentality, cautious with credit and purchasing. Now is the time to adopt an expansive mentality, keeping inventory low and pushing suppliers hard to assist in gaining market share through more persistent, more optimistic and more professional sales

	Area	Action
1	Debtors & Creditors	Look at what the levels will be over the next four months, see the consequences and then work out what you can afford
2	Cashflow Forecast	Get a rough idea of how the next 4 months will pan out. Work it out, see what you can do - then only look at it once a week. Time spent worrying more often than that is wasted.
3	Suppliers	Get suppliers to dig deep, push hard, discount and help with your marketing. Make a plan to try and get the most out of each one and don't let them put it off. <ol style="list-style-type: none"> 1. Discounting or incentives 2. Terms of payment 3. Obsolete/cheap stock 4. Marketing support 5. Product training/support 6. Direct assistance with sales (some tenders etc)
4	Campaigns	Plan sales campaigns for the following areas: <ol style="list-style-type: none"> 1. Counter-cyclical or strong markets 2. Ones where the market has changed 3. Ones where your competitors are struggling 4. Ones where competitors have failed
5	Opportunities	Get the list out of opportunities not yet exploited, identify them and how you can tackle them. Make this your year!
6	Old contacts/ quotes	Get the list out – go through the following, make a list, assign them to people and bash the phone come 1 Feb. <ol style="list-style-type: none"> 1. Former quotes 2. Old emails 3. Old contact lists 4. Old customer lists
7	Staff goals	Reassess the goals, responsibilities and resources of each of your staff members. <ol style="list-style-type: none"> 1. What are they paid to achieve? 2. What resources do they have to do it with? 3. What could they do to improve the business this year?
8	Resourcing	Things have been tightened – keep them so but expand your imagination, look for bottlenecks again and increase inventory in areas you feel confident about (a searching question in itself).
9	Processes	Look at materials activity, freight and other expediency measures – see where you can: <ol style="list-style-type: none"> 1. Create capacity without increasing overhead 2. Reduce lead time or errors 3. Learn lessons to increase sales.
10	Financial	Identify consequences of further changes to FX/RM/bad debts – and then don't worry until they happen.