

Thinking beyond recession

In the midst of a global recession the need to grow revenues and improve efficiency is even more acute, explains **David Turner**, Group Marketing Director for CODA.

As the financial downturn continues to take hold, many believe that battenning down the hatches and just waiting for recovery is the best way forward. But the world is changing despite the current climate, and the way to approach business and prepare organisations for the future is also changing. Interestingly, the pace of change has not diminished and the best business leaders are actively embracing new ways of working.

Proactive businesses are investing more time, energy and resources into their people, processes and systems to deal with today's challenges but also prepare for the economic recovery. Many are now making the decisions that they put off when business was booming. But where should forward-looking organisations focus?

Importantly, best practices are not solely reserved for periods of downturn. Proactive organisations will implement these methodologies in healthy times as well as during recessions.

Finance leading the way

The finance team is pivotal in this process because it 'owns' most of the key performance indicators used to analyse and evaluate the health of a business. Effective finance departments will turn times of recession and efficiency drives to their advantage, proving their worth to the business in a way which might not be so obvious in better times.

Doing more with the same seems obvious but most businesses admit to areas of waste. Look for opportunities to eliminate duplication and non value-add activities and automate manual processes. Working at optimal efficiency levels across the business is crucial for the survival and long-term profitability of an organisation.

Effective cost control requires visibility of the cost pipeline, measuring performance, identifying and resolving problems

early. Organisations can look at some simple measures such as implementing a centralised procurement strategy, and systems to reduce maverick buying and control spending.

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It is a cliché, but people are generally the most valuable but also the most costly asset. The kneejerk reaction is to cut staff to reduce costs, often wiping out a valuable knowledge base. But forward thinking businesses take time to analyse the staff they have. Having a comprehensive understanding of the skills and expertise in the business, helping people work together more efficiently and effectively and harnessing their knowledge and creativity could help businesses survive now and ensure the right people are retained for when the upturn arrives.

Customer focus

It's another cliché, but keeping clients at the heart of the business is fundamental. Acquiring customers is costly, retaining



them less so. The competition will be aggressively targeting them so a systematic focus on retaining clients now will help secure customer loyalty.

Knowing clients well and understanding their buying behaviour helps to identify opportunities to deliver more value to them, driving potential cross- and up-selling opportunities as well as identifying potential payment problems early.

A swift response to such problems protects the business from risk and handled well could preserve the relationship for the future. With the right focus, maintaining high standards of support and customer service should create business opportunities as well as being crucial to client retention.

No one would dispute that we must work harder to maintain and win new business, evaluate and adapt skill sets and put more effort into keeping clients happy during these challenging times. Having the right systems and processes in place will drive efficiency and provide a transparent, accurate and comprehensive view of the business. That will go a long way in helping to build on past success, weather the recession and emerge stronger when the recovery arrives. ■

Further information

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