



CEO's Planning Kit
For the New Year

Managing Slowdown Effectively

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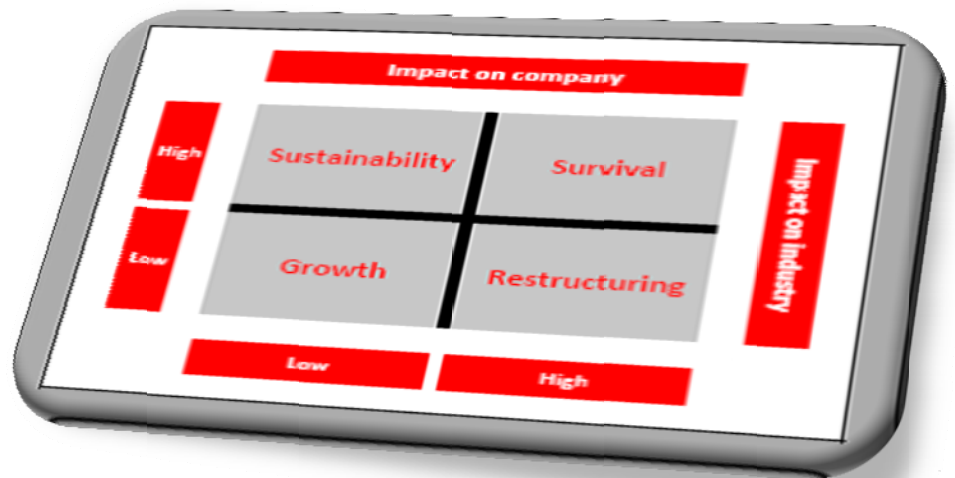
Whatever way we define today's business environment, whether a slowdown, downturn or recession, CEO's are definitely in a hot seat. Their challenge is to anticipate where the slowing momentum will hurt the business most – and then take actions to blunt those effects and position the business for a quick turnaround.

This however is not the same as hitting the panic button. When facing margin pressures, CEOs would be lured to often implement rapid band aid type measures, which could deliver benefits in the short term benefits, but end up impacting business operations and hampering future business growth.

The aim of this INSIGHT is to assist every such CEO who is passionate about the growth of his business & who wants to weather this storm unhurt over a longer term view.

This planning season – which is pretty hard on any CEO – is also going to be a reality check. The focus has to be on ***how much has the business affected with this slowdown now & how to weather it effectively.*** The journey between these two destinations can be rewarding provided appropriate operational strategies are adopted.

We believe that before initiating any plans for the next fiscal year, every CEO could benefit by identifying his business on the following 2X2 grid, which would answer the question “***how much has the business affected with this slowdown?***”



The four quadrants indicate the impact of the slowdown on each organization. The names also suggest the broad strategic thrust that the organization needs to take up for the coming year.

Sustainability, (High Impact on Industry & Low Impact on Company) means the ability to maintain a certain state of being. Companies in this quadrant need to ensure that the CASH keeps coming and lesser get spent in-house as the context is tough.

The mantra for these companies should Cost Optimization & Venturing into Allied fields of operations, to enable cash flow consistency.

Cost optimization could be achieved through Complexity Reductions, Revenue Enhancement Strategizing, Tight Monitoring on Implementations and Variances mapping through Strategy Evaluations.



Growth, (Low Impact on Industry & Low Impact on Company) in this context is a sense of opportunity for the businesses which are not highly impacted by the economic slowdown.

It also means that the customers are more liberal to these companies as compared to other quadrant companies. These companies should concentrate on Productivity & Efficiencies to increase their market shares and set the right pace for future growth.

Survival, (High Impact on Industry & High Impact on Company) –

“In turbulent times, liquidity is more important than earnings...” This is the mantra that this quadrant companies could benefit from adopting – priority being cash management.

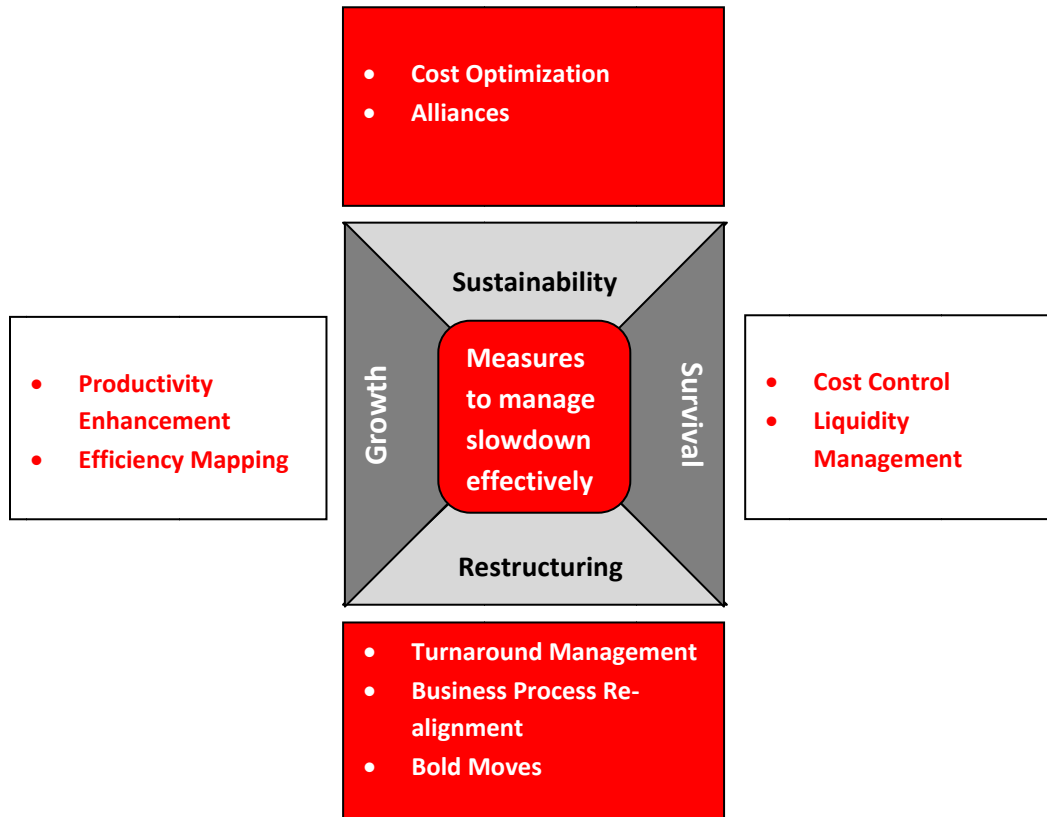
These organizations could concentrate on managing their Liquidity, Controlling their Costs and looking out for external support like Alliances for their business.

Restructuring (Low Impact on Industry & High Impact on Company) means realigning the organization to meet the industry needs. This is time the management could benefit from thinking outside in, as the outside environment still remains favorable.

The new financial year resolution for the CEO should be Finance Infusion in the company, which could come through bold decisions as Re-aligning the organization to Turnaround OR looking at potential outside partners to share the responsibility of taking the organization to its path of profitability.



Conclusion



With a practical action plan that puts right tools to work immediately, companies can emerge from the slowdown storm stronger even ever.

About the Author:

Manish Sudarshan

manish@marginview.com

Manish Sudarshan is the Project Manager for the Management Consulting Practice at *Margin'sview Consultancy Private Limited*. He brings with him, several years of experience in the Management Consulting, having worked in multiple industry verticals like specialized engineering, packaging, food processing, security systems development, footwear, retail, healthcare, pharmaceuticals, software, paper etc. He has project managed and executed successful engagements for manufacturing, service as well as not-for-profit companies across country.



Margin'sview Consultancy Private Limited

www.marginview.com

Head Office:

41-42, Gayatri Satsang, Behind Vishnu Shivam Mall, Thakur Village, Kandivali (E), Mumbai 400 101

Tel: +91 22 65272107 / 08 / 32913788

Fax: +91 22 28851943

info@marginview.com

Pune Offices:

50, Alankar, Near Bank of Maharashtra, Ganesh Nagar, Pune

&

7, Kshitij, Lane No. 3, Dahanukar Colony, Kothrud, Pune

puneoffice@marginview.com