

UPDATE



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Change



HST-IFRS



**WILL YOU SHAPE IT,
OR LET IT SHAPE YOU?**



On strategy, growth and survival

By **DON NILSON**, CMA, FCMA

OK, so there's a recession in progress and business is down. As an entrepreneur or business leader, you have a choice in how you deal with the transition time before things pick up again. You can mope and feel sorry for yourself and worry about when the corner will be turned to the next boom, or you can seize the opportunity of the moment.

Truth is, when the boom was on, you and your organization were probably run off your feet trying to keep up with demand. It was crazy, but it was a happy crazy because the money was flowing. (Do remember, though, what a nightmare staffing was in the last uptick.) With time and excess capacity on your hands, the downturn is actually a signal for you to do the things you didn't have time for before.

It's an ideal time to clean up "messes" in your organization, be they physical messes accumulated around your workplace, or processes that failed under the pressure of the boom. What failed? Why did it fail? What is needed to make it better? If your answer to these questions is that nothing failed – everything worked perfectly – odds are you're lying or fooling yourself. So, dig deeper. Talk to staff, talk to your

key customers and suppliers. Remember, when the next uptick comes (which it will), you'll be run off your feet again. So now is the time!

A downturn is also the ideal time to address strategy. When did you last take the time to do this? Can't remember? A lot of people associate "strategy" with something high-falutin that emanates from MBA school. The definition of strategy in the *Oxford Dictionary* is, curiously, all about warfare. However, the root of the word is Greek and comes from "generalship." You indeed are the "general" of your organization, regardless of whatever other title you might put on your business card.

So you say you have a pre-existing strategic plan on record? That's good, but

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you don't get a free pass. No value edge remains sharp forever. To keep your edge honed, you need to reassess it periodically. Most strategies have a lifecycle and a season. Be wary that the season may be changing, and your plan isn't adequate anymore. The time to jump on this is now – before the plan runs out of gas. Strategic planning can also be a bit overwhelming if you embrace it across your entire organization and all your processes. Perhaps the more doable, “bite-sized” approach is to identify specific departments, functions or processes and target these for new thoughts.

By the way, newness isn't likely to come from old places. You need to get away from your workplace to foster new thoughts – that's why retreats are popular. New social associations are also conducive to creative thinking. So it's time to crowbar off the nails that have you attached to your familiar perch.

This isn't just an ad for resort getaways – it's based on neuroscience. Experiences modify the connections between neurons. But when the brain is subjected repeatedly to the same stimuli, the neurons respond with decreasing vigour. Our brains are basically lazy energy-conservers. They take the path of least resistance and activate the neurons that have been previously programmed to interpret stimuli. The downside of that energy efficiency is that past experience pre-programs our future perceptions. When faced with new experiences, the brain is forced to work harder and make new connections. In short, novel experiences incubate novel ideas.

How about a technology review?

For starters, this should already be institutionalized in your existing processes. You should have an annual technology budget. Some of this will get spent annually on obvious things – something breaks and needs replacement. But as you approach the end of your budgeting year and significant tech dollars aren't spent yet, that's a sign for proactivity – go and find something to spend money on. I promise this won't be superfluous spending. Rather, it will be the clarion call to progress. Technology improvements may be very specific to your industry, or they may be more generic. Do all of the workstations in your admin department have dual monitors? Are you addressing unnecessary paper flow, or just ordering reams of paper from Staples? Going green isn't just about Gaia's environmental issues; it is also about being business-smart. I guarantee that somewhere your processes include unnecessary paper production. Look into current scanning technology to see the neat things that are happening there. If you have people on the road, have you addressed technology

upgrades to make them more efficient? Are you up to date on cellphone technology? Have you considered building an intranet – that's an in-house website – to enhance firm-wide communication and to capture and house the firm's collection of intellectual capital? The buzz term for that nowadays is “KM” – knowledge management.

How are you spending your own time?

Recent research in the U.S. estimated the average American watches 151 hours of TV per month – that's five hours a day on average. If you're one of those, you need to do some reallocation and find time for reading. Amidst the business press schlock, there are some excellent business books. Pick up Jim Collins' *Good to Great* and embrace his “flywheel” to greatness, which includes the now-famous “get the right people on the bus” mantra, as well as the “hedgehog concept” and “building a culture of discipline.” Evan Duede will inspire and mutate your thoughts on innovation with his approach of lighting many tiny fires, rather than pouring all of your fuel on one giant one.

What metrics do you use?

Are they still useful, or tired? Do you take them for granted or actually pay attention to what they say? It may be time to think of some new metrics – pick a few really salient ones and focus on them. If you're not sure, consult your advisor or accountant for some new ideas.

Filling/emptying the bus

This applies to both your staff and your customers and suppliers. Every *Good to Great* seminar I have attended has sent attendees away swearing to do some HR house-cleaning when they get home. Conventional wisdom says to cut costs to survive a downturn. Fair enough, but cut the right costs! Now may actually be the right time to spend more on staff training. Why? See the aforementioned discussion about being too busy in the uptick! Focus your training dollars on the hard stuff. Save the touchy-feely-training dollars for another day.

Anne-Marie Fink believes that “high-performing workplaces make for happy employees,” and not vice versa. This puts the onus squarely on the “general” to seize moments like these to raise the bar on performance. For you auto-racing fans, Collins' bus has slowed down around one of the economic curves, and it's your job to turbo-charge the vehicle for the inevitable full-speed straight-stretch that lies around the corner. ■



DON NILSON, CMA, FCMA
is the Principal at Nilson & Company. He is also a member of the Update Editorial Task Force.