

Getting through major disruption

#1 What to consider and how to get through it

The Initial Shock

The hard thing about any disruption, especially this most recent one, is being in the right frame of mind to address the challenges ahead.

Fear, panic, anger, blame are all emotions pumping through you and my guess is you're finding it hard to focus. All very normal, and much like the stages of grief.

But now its time to get to work...



The Martian

"At some point, everything's going to go south on you... everything's going to go south on you and you're going to say, this is it. This is how I end.

Now, you can either accept that, or you can get to work. That's all it is. You just begin. You do the math. You solve one problem...and you solve the next one... and then the next. And if you solve enough problems, you get to come home."

Mark Watney (Matt Damon)

There is a lot to consider...

It never ceases to amaze me how well a **business can stretch and improvise** to get through tough times.

The following few pages are a number of key areas to consider to get your business **to the other side** of this disruption.

I hope you find this useful... Help anyone in your community where you can... and **SHARE** this with anyone you know in small business.



Mindset

Financials

Marketing

The Team

Opportunities

Mindset

As simple as this sounds, being in the right **mindset is essential** to navigate any major disruption.

Disruption causes **enormous stress**, especially when caused by this recent pandemic. So being aware that you and the people around you are under pressure, may make it easier to be **understanding of unusual behaviour**.

People you know will behave irrationally, and you'll need a little tolerance.

Optimism equals survival, just like when lost in the wilderness. Easier said than done, but as you develop a clear plan, it will be easier to become optimistic.

Simple steps can be **increasing your sleep**, improving your **diet, meditation**, if that suits you, and certainly **reducing alcohol intake**. Being foggy or hungover just amplifies the stress. Be at your peak.

Mindset

- Take a **3-5 year view** of the business plan, this is just an event in that timeline.
- **Reset** what you want from the business, short and long term
- Address the **first things first** - one step at a time
- **Plan the work, work the plan**
- Stay **calm, and use empathy and logic** in your decision making
- Start looking for the **opportunities** - short and long term.
- Remind yourself of the **good stuff** - not just what is going south
- Get plenty of rest
- What can you do with any extra time???

Rudy Giuliani

Ex-Mayor of New York during 9/11

“My father used to say to me...

**Whenever you get into a jam,
whenever you get into a crisis
or an emergency...**

**...become the calmest person
in the room and you'll be able
to figure your way out of it.”**

Financials

Without doubt, **Cash is King** in times of disruption. Know your Cash Flow Forecast and how much runway you have, no matter hard it is to look at.

An important tip is to **chase your debtors**. It is your money and it may get harder and harder to get paid. Be the squeaky wheel early.

Identify debtors who are at risk of falling over. Diversify or chase them harder.

"Better to be looking at it, than for it."

Consider all other possible options you have for finding cash, if you need it, and as the quote suggests, get it before you need it, rather than when you need it.

Utilizing buffers and savings, if you have it, injecting cash personally **like you are starting up** the business again, overdrafts, factoring, loans, friends and family are all worth considering through tough times. **You could even consider selling equity perhaps?**

Financials

- **Understand and utilize the Government Stimulus Packages**
- Negotiate **Rent Relief** if you can
- Know your current and **future tax implications**
- **Prepare cash** from other sources **early**
- **Compress your expenses** - big expenses first
- **Budget/Model for different scenarios** - know how much you need to compress
- Remember to have a **3-5 year view** of your business financials
- Do you have any **supply chain risk**?
- What solutions are **available at your bank**?

Richard Branson

Virgin Founder, business magnate, investor,
author and philanthropist

**“Never take your eyes off the
cash flow because it's the
lifeblood of business.”**

Marketing

It is very likely **your current marketing plan will have to change significantly** in times of disruption.

At the height of the confusion in market... **you may feel like your usual customers are deaf.** Like a bomb has gone off, everyone is pausing, ducking and covering their ears... this will pass.

The ringing in the ears will fade quickly as business must go on. **People want to do business as their lives depend on it.** Either be prepping or be starting.

Turning off all marketing is often the first thing people do... but **yet Marketing is probably the one thing they will want to keep momentum with** so they don't compound the problem and revenue slips further.

Something else to consider is that even in recession or through major disruptions... **there is always someone making money.** Do you need to refocus your efforts to businesses doing well at the moment?

They are definitely out there...

Marketing

- **Market may feel deaf...** be patient, get ready...
- **Change your target markets** now or for the future? Who is going well?
- **Product or Service pivot** - what does the market need that you can do?
- This is the opportunity to **prepare all your marketing - load the cannons!**
- **Move quickly**
- Do you need a **new value proposition** based on a new need?
- Do you need **different marketing activities?**
- How different will your **new competitor landscape** be after this?
- Perhaps you don't need to pivot at all - you may just need to **turn up the volume 10X**

Henry Ford

Ford Motor Company founder.

“Stopping advertising to save money, is like stopping your watch to save time”

The Team

Disruption is often where you will see the true leaders of an organisation stand up and lead.

Rule of thumb is that you will likely have to **increase the frequency of communication** with your team, and **increase the clarity**.

There will be far more change than usual, so managing that through the business well will be the key to success. **Set the new course and communicate it clearly**.

Be prepared that they will be stressed and you will be stressed. **Encourage support and tolerance**.

Anxiety, fear, panic, concern for the future will all be emotions within your team. This is a great opportunity to put them at ease, often by simply asking **'How are you?'**

it is worth noting your team is not just your **staff...** it may be your **customers**, your **suppliers...** it also includes **you**. You need to look after all four groups through any disruption.

People will remember those who helped them in the tough times. There is pleasure in helping those around you.

Reducing the team?

Dealing with your team through times of disruption can be **one of the toughest and emotionally charged things you have to do in business**. There are often no right answers necessarily in trying to **find the balance between what's best for the business, and what's best for the people**.

If you are having to compress or reduce the team, a logical, calm and empathetic approach to yourself and all parts of your team is a good start.

Model the numbers and model again until you feel you have the balance right. Shooting from the hip is rarely a good idea and driven by emotion.

Ranking your team and **highlighting the core functionality** is also useful through this process.

View the balance of **retaining momentum** now, having an **expense base so you are still viable**, and keep an **ability to get back to full flight** after this has passed.

Is reducing headcount or hours or remuneration the best fit for your business?

Alternatively, reducing too hard has the **risk that you lose good talent for minimal financial gain** over the long term. Include stimulus in your calculations and find the balance right for you.

Lastly, understand the legal and financial implications of any changes you make.

The Team

- **Think long term**
- Don't rush any decision – remind yourself to use **logic not emotion**
- **Communicate clearly & often** – honestly, clearly, calmly & with empathy
- Disruption is an opportunity to **care for and lead your community**
- **Survival Rule #1 - Optimism equals survival**
- Is this an opportunity to **remove the poor performers** within your team?
- **Know the implications** of any changes you will make
- **Training and up-skilling** across roles is always useful
- Again, think long term

COVID-19

- Minimise risk in the workplace - discuss reducing outside personal risk to exposure
- Consider creating **A & B teams**
- **Control the narrative** - communicate facts about the situation
- Media negativity - you may consider reducing how much you consume
- **Management equals productivity** - work through how to manage the team remotely
- **Calm the farm, calm creates calm**
- Ensure **good remote IT capability**
- Keep connected using **video chat** - keeps better connection than just a call
- **Have fun with remote working** - make it easier for all of you to get through this together

Ernest Shackleton

Antarctic adventurer who has one of the greatest survival stories of all time.

"If you're a leader, a fellow that other fellows look to, you've got to keep going."

"Difficulties are just things to overcome, after all."

"Optimism is the true moral courage."

Opportunities

Disruption is where the business owners with hustle really do shine. **Where there is mystery, there is margin.**

It is worth considering the opportunities, short and long term, for your business. **What happens if a few of your competitors shut their doors?**

What happens to their database?

Do they need employment?

What happens to their stock?

The opportunities in any major disruption are enormous. If you have the right **mindset**, with some great **marketing**, with solid **financials**, and with an excellent **team**, the possibilities are endless.

You may find you have kicked into life in the last couple of months... not surprising as **pain is the greatest motivator** for action. Use it.

There is also every chance **there will be some great talent out there** to hire as you continue to build your business.

Opportunities

- This can be a **big reset of what you really want in life**
- Will people, in general, really appreciate having a job now?
- What **acquisition opportunities** exist for you?
- Isolation and rest **generates creativity**... what do you need to solve?
- Is **cheaper supply chain and cheaper rent** just around the corner?
- Use this opportunity to create a **leaner model**
- **Where will you invest?**
- Will you **have pivoted into new revenue streams** once this is over?
- Is there a lot **less competition in the green field of the future?**
- **Good businesses accelerate when other hesitate**

Warren Buffett

CEO of Berkshire Hathaway, known as the
'Oracle of Omaha'



"I will tell you how to become rich. Close the doors.

Be fearful when others are greedy. Be greedy when others are fearful.

Be prepared to invest in a down market and to "get out" in a soaring market."

Who is Growth Potential?

Growth Potential is an Education and Coaching firm, specialising in assisting owners and senior leaders in small business to accelerate the growth of themselves and their businesses.

They pride themselves on having a rapidly growing community of businesses around Australia, that benefit from the unique combination of Education, Coaching and Consulting.

They have a strong belief in working with clients for years rather than months, by generating amazing results, not through locking them into long term contracts, hence they only have a month by month commitment.

If you would like to learn how their experienced team could help you change or grow your business, fill out the contact form at www.growthpotential.com.au

Good luck over the next few months

This is just a moment in the long journey of your business.