

Get Ready for the New Normal

“Federal Reserve officials are more confident the U.S. economy is moving toward self-sustaining growth.”¹

Economic news now suggests a move toward recovery. Certainly, that’s good news. Having weathered the recession, what can you do to help your company recover well?

This pre-recovery period is a critical one for business. The speed, extent, and strength of recovery remain uncertain. Not all sectors will recover at the same rate or time. And, consumer confidence is a long way from pre-recession levels. We suggest four actions to enhance your position and channel your energy toward a more optimistic future.

- **Focus**
- **Adapt**
- **Rethink**
- **Invest**

Focus on customers. True, we always say that. It’s even more important now. Economic measures suggest pent-up demand; identify this specifically for your business in terms of what your customers need post-recession. Focus on what you must do to get the clients you ultimately want. Understand that even with pent-up demand, customers may not return to business-as-usual.

Deloitte Touche Tohmatsu, and STORES Media predict that the nature of this recession “may have permanently made consumers more cautious.”² Cautious consumers seek value; if they do not find it, they are more likely to switch to competitors or eliminate the purchase altogether. Review your own customers’ recessionary behaviors. Focus on the metrics that tell you where and how you’ve failed them.

“[The Bank of Canada’s] quarterly outlook contains some upward revisions for growth in the United States, China, Europe, and Japan that should help Canada’s battered exporters and manufacturing sector in the next two years.”³

Rethink old ways and programs. Faced with limited demand and severely constrained resources, many of our clients postponed initiatives. Economic recovery – even a tentative one – tempts us to restart these and move forward as planned before the recession. Instead, rethink the programs you tabled. What did you stop doing? What has changed since then? What are you doing differently today that makes good sense for the future? New capabilities, innovations, and attitudes are often born from crisis; take advantage of these and avoid a backward step.

Adapt your strategy. Are you moving forward as fast as you want to be? Are you stuck? The nature of this recession – likely the worst since the Great Depression – suggests we will not return to ‘business as usual’. Many businesses are now embracing strategic management in lieu of traditional strategic planning which can be static or episodic. That involves more frequent reviews and responding to key market ‘triggers’ more rapidly. “The new priority [is] to be able to shift course on the fly.”⁴ Flexibility, adaptability, and being able to take decisions amid emerging facts are

¹ Craig Torres, *Bloomberg.com*, 15 January 2010.

² Phil Wahba, “U.S. shoppers return, but growth to stay slow-study,” *Reuters.com*, 10 January 2010.

³ Julian Beltrame, *GoogleNews.com*, *Globe & Mail*, 21 January 2010.

⁴ Joann S. Lublin and Dana Mattioli, *WSJ.com*, “Strategic Plans Lose Favor,” 25 January 2010.



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rapidly becoming critical for success. Adapt your strategic metrics – and approach – to track leading indicators and identify opportunities to serve customers better. Adjust competitive markers to reflect your new landscape; learn from how others have altered their strategies.

Continue to Invest in people and innovation (even though it's counter intuitive). Organizations that invested during the recession can move forward rapidly. Leverage the stronger relationships you've built with your customers. Invest in projects that help you leap frog the competition to gain a strong foothold quickly. Reward your people for helping your company survive the recession and move those with experience in innovation and building relationships with customers into key positions to strengthen your customer base and build new business areas.

M. Beacon Enterprises can help. Being ready for recovery requires looking and thinking ahead, while systematically identifying lessons learned during recession. It means listening to your customers with new ears and acknowledging the new reality they face. Our expertise and independent perspective helps you find the right mix of focus and investment – quickly. Together, we'll identify specific actions to manage strategically into full recovery and beyond.

Contact M. Beacon Enterprises for an independent review of *your* situation – and to accelerate your recovery.