

Adjust your set

Doing more with less in 2011

By Alex Pratt

In the last year we've seen colossal changes to the business of business. It's suddenly a lot more interesting and painful all at the same time, don't you think? A coalition government, an emergency budget, and massive austerity cutbacks are trailblazing a path to a less certain tomorrow. And, even though we haven't yet experienced the acute public pain seen on the streets of Spain and Greece, it would be a big mistake to lull ourselves into a false sense of business security. We face the same underlying seismic economic shifts, which amongst other things, mean that our customers will have reduced access to funds, remain more risk-averse, and become super-savvy about how they spend their cash. Public services are being pruned back to a degree not known in post-war Britain, and strikes and stoppages will surely follow. The spectres of mounting inflation and higher interest rates are lurking in the bushes on the road ahead. The age of austerity is truly upon us and we are in it for the long haul.

When so much at the business coalface is changing so fast and all at once, our success relies even more heavily on the core small-business competitive advantages of flexibility and adjusting rapidly to the emerging austerity business rules.

It's therefore important not to panic, nor freeze like a rabbit in the economic headlights. Such paralysis often takes the form of indiscriminate cutbacks in the wrong places at the wrong times, like turning the lights down in the office to save on electricity, sticking with your shabby old signage to conserve cash, and annoying your staff with petty changes.

Of course, we understand that to run out of cash is to lose, but we equally know we can't save our way to success either, because business is really about generating an investment return; the investment of our money, our time and our souls. So, it is critical that while conserving cash, we also focus hard on those areas of the business that will fill the profit wells from which our future cash will spring. Otherwise, chasing our cash tail becomes a vicious circle to insolvency.

The key challenge is one of getting more from less—less finance, less custom, less certainty. This will be the defining success factor in austere times.

The following tips, easily forgotten in the

The game has changed: new rules; different permissions; unusual outcomes.

heat of the business battle, should save you from being buried by your old ingrained habits, and will build on the essential business foundations of hard work, perseverance, stamina and the occasional bit of good luck you already live and breathe.

It all starts and ends with you as a leader, so here's a quick five-a-day checklist for your mindset:

1 Am I in denial?
When you wake up, there can be a temptation to pull the duvet back over your head when times are tough, in the hope that when you come up for air everything will be reassuringly back to normal. This didn't work for the dinosaurs. It hasn't worked for the British motor industry. It won't work for you either. Those who will profit most will find ways of picking themselves up and dusting themselves off faster than the rest of the pack.

2 Glass half full?
We entrepreneurial types are an optimistic bunch. We like to see chances, not chores, pleasure, not pain; more "get to dos" than "got to dos".

Pessimists, on the other hand, see the missing thimble in a pint glass and will find plenty to complain about at the best of times. You need to kill the pessimists—and be ruthless about it.

It's staying purposeful, refining what we are good at, and playing to our strengths that builds competitive advantage. And remember, there's no shame in a laugh.

3 Am I open and transparent?
People drive the profits made in most of our businesses. Talent, by its very nature, is not stupid. The best people in any company will sniff out fear and indecision, and will spot insincerity, no matter how well-camouflaged it is. The best leaders foster their followers and stop fear turning to paralysis by being up-front, open and cheerfully admitting what they don't know. What news are you going to share today?

4 Dealing in fact or fiction?
Ignorance may be bliss elsewhere in life, but in business, fresh reliable data is vital. We can all busk it in the good times, but

Adjust your set

Doing more with less in 2011

By Alex Pratt

In the last year we've seen colossal changes to the business of business. It's suddenly a lot more interesting and painful all at the same time, don't you think? A coalition government, an emergency budget, and massive austerity cutbacks are trailblazing a path to a less certain tomorrow. And, even though we haven't yet experienced the acute public pain seen on the streets of Spain and Greece, it would be a big mistake to lull ourselves into a false sense of business security. We face the same underlying seismic economic shifts, which amongst other things, mean that our customers will have reduced access to funds, remain more risk-averse, and become super-savvy about how they spend their cash. Public services are being pruned back to a degree not known in post-war Britain, and strikes and stoppages will surely follow. The spectres of mounting inflation and higher interest rates are lurking in the bushes on the road ahead. The age of austerity is truly upon us and we are in it for the long haul.

When so much at the business coalface is changing so fast and all at once, our success relies even more heavily on the core small-business competitive advantages of flexibility and adjusting rapidly to the emerging austerity business rules.

It's therefore important not to panic, nor freeze like a rabbit in the economic headlights. Such paralysis often takes the form of indiscriminate cutbacks in the wrong places at the wrong times, like turning the lights down in the office to save on electricity, sticking with your shabby old signage to conserve cash, and annoying your staff with petty changes.

Of course, we understand that to run out of cash is to lose, but we equally know we can't save our way to success either, because business is really about generating an investment return; the investment of our money, our time and our souls. So, it is critical that while conserving cash, we also focus hard on those areas of the business that will fill the profit wells from which our future cash will spring. Otherwise, chasing our cash tail becomes a vicious circle to insolvency.

The key challenge is one of getting more from less—less finance, less custom, less certainty. This will be the defining success factor in austere times.

The following tips, easily forgotten in the

The game has changed: new rules; different permissions; unusual outcomes.

heat of the business battle, should save you from being buried by your old ingrained habits, and will build on the essential business foundations of hard work, perseverance, stamina and the occasional bit of good luck you already live and breathe.

It all starts and ends with you as a leader, so here's a quick five-a-day checklist for your mindset:

1 Am I in denial?
When you wake up, there can be a temptation to pull the duvet back over your head when times are tough, in the hope that when you come up for air everything will be reassuringly back to normal. This didn't work for the dinosaurs. It hasn't worked for the British motor industry. It won't work for you either. Those who will profit most will find ways of picking themselves up and dusting themselves off faster than the rest of the pack.

2 Glass half full?
We entrepreneurial types are an optimistic bunch. We like to see chances, not chores, pleasure, not pain; more "get to dos" than "got to dos".

Pessimists, on the other hand, see the missing thimble in a pint glass and will find plenty to complain about at the best of times. You need to kill the pessimists—and be ruthless about it.

It's staying purposeful, refining what we are good at, and playing to our strengths that builds competitive advantage. And remember, there's no shame in a laugh.

3 Am I open and transparent?
People drive the profits made in most of our businesses. Talent, by its very nature, is not stupid. The best people in any company will sniff out fear and indecision, and will spot insincerity, no matter how well-camouflaged it is. The best leaders foster their followers and stop fear turning to paralysis by being up-front, open and cheerfully admitting what they don't know. What news are you going to share today?

4 Dealing in fact or fiction?
Ignorance may be bliss elsewhere in life, but in business, fresh reliable data is vital. We can all busk it in the good times, but