


Leadership in Good and Tough Times



There's no playbook for solving the constant challenges businesses face. However, the business leaders who take strategic action and are dynamic in how they face adversity, can successfully mitigate threats and seize opportunities. In many cases, it will be the difference between diving, surviving or thriving.

Every business owner has goals. B2B CFO® is here to help your organization take the right steps and provide strategic business and financial guidance as we weather storms. These strategies will help you and your team respond in good and tough times with excellence and action:

- 1. Revamp your strategic plan.** Proactive leadership starts with creating a strategic plan, a disciplined execution of your plans and monitoring progress along the way. Your plan should hit fast forward to where your company should go. Look at new product and services opportunities and how your company can leverage disruption that is impacting other markets and industries. Where and how can you better serve them? Where is there a need for fractional outsourcing of your product or service? There's a wealth of innovation that can be created. Your strategic plan should be a guide along that path.
- 2. Create aggressive goals that promote action, focus, and growth.** These might include ambitious goals of 3X growth, and winning market share in a never-touched market. Choose strategic goals that are outside of your comfort zone. How can you lead your company, your teams, your supply chains with excellence and innovation? How can you improve relationships with your key customers or avoid cash flow issues?
- 3. Conduct strategy discussions and assess business performance.** What are your strengths, opportunities, weaknesses, and threats as you enter a new quarter? How will you respond to these immediate threats? Assess what you need to do for the business right now

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to serve your customers and employees. Secondly, assess what should the company invest in and focus on to create growth. What initiatives did you put on the back burner that need to be put in place right away to generate additional revenue?

4. Think lean and evaluate variable costs.

Evaluate expenses of non-essential operations. Put a system in place to satisfy the customer better, faster, and at a lower cost.

What non-value-added processes can be cut?

What competitive advantage or new marketing possibilities would open if you cut your customer delivery times in half? Cutting expenses during bad times is crucial, but cutting expenses the wrong way can be devastating for growth and survival. Where specifically can you begin to

remove limitations or interruptions to the continuous flow of work through your company? The ideal state for any business system includes organizing and managing product development, operations, suppliers, and customer relations in a manner that requires less human effort, less floor space, less capital, and less time.



5. Rely on data analytics to assess all areas of the business. Managing business risks and threats is essential to navigating future uncertainty. Reporting that includes key performance indicators, metrics and other analytical data provides insights into a company's operations that may not otherwise be seen. It provides a more in-depth view that may cause weaknesses and vulnerabilities to surface. With this information companies can create more effective plans for averting and responding to challenges the business faces. The new perspective will help clear the fog so you have realistic, financial and data-driven analyses that will enable your team to take more immediate action.

6. Create a culture of realistic optimism. Resilient and transparent leadership is paramount in times of economic stress. Create a workplace culture that lives by your company mission, vision and values, and that prides itself on winning and thriving during even tough times. The distributed and virtual workplace that exists in many businesses today is held together by the trust, patience and support employees receive from leadership and from one another.

7. Be observant to fraud. It can be daunting to keep up with all the forms of fraud that can impact your business. One purpose of internal controls is to deter fraud. Times of financial tightening provide impetus for fraudulent activity that workers would not ordinarily consider. Now is the time to do a review of internal controls and determine if there is room to improve them. Some common controls to consider are: segment accounting duties to the greatest degree possible, automate as many controls as your systems will accommodate, keep accounts reconciled timely, and add un-planned manual reviews of work processes, especially those that involve money. Experts can help you establish policies and procedures.

8. **Encourage quick payment.** If you got paid for sales the instant you made them, chances of cash flow problems would be greatly reduced. Slow payments can impact your business and its ability to pay bills and meet payroll, therefore make sure you're implementing tactics to encourage quick payment times. Clearly state the customer's payment terms and due date on invoices. Have a professional way to follow up on all invoices that are past due. Offer early payment discounts to customers. Obtain deposits from customers at the time orders are taken.
9. **Become a safe haven for your employees and customers.** As the leader, you set the entire tone for the company. Employees need the right direction and information from their leaders. Communicate often. Anticipate and address their needs and potential risks and disruptions they may face, then respond with solutions that achieve the best possible balance between their needs and the needs of the company. Motivate, encourage, and inspire your teams to be resilient as well in tough times.
10. **Learn from experience and rely on experts.** Most business owners are really good at beating themselves up for things that go wrong, but economic forces, skyrocketing inflation, and supply chain headaches are out of our control. Business owners need strategy, fiscal discipline, innovative ideas, a sounding board, and proactive steps to weather storms. An expert like B2B CFO® can provide tactical steps to help with financing, cash flow needs and other financial safeguards. Someone who has been through other crises and came out thriving on the other side will be an invaluable asset to you and your business.

THE IMPORTANCE OF ACTING NOW

Not all companies excel during tough times, but yours can with proactive strategies, laser focus and actions plans. The stakes are too high to punt!

**B2B CFO® is here to help
your company assess
risks and opportunities
and establish plans to
flourish! Contact us today.**

