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BLOG - LYNDA WEE



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2012: Tough Times Tactics

By Dr Lynda Wee, specialist in Retailing, Growth Strategic Planning and Leadership

2012 looks tumultuous. According to the Singapore Ministry of Trade and Industry, the economy is expected to grow by 1 per cent to 3 per cent next year due to a cloudy economic outlook. To triumph in tough times, you need tough people to make and act on tough decisions.

Tactic 1: Appoint Experienced Effective Leader. Leader is the linchpin that propels company forward. To lead in good times is easier given the growth opportunities, high business confidence and accessibility to funds. To lead in tough times shows one's true talent as members look up to their leaders for hope, direction and conviction.

Experienced effective leaders believe that tough times do not last and they use this time as opportunity to spruce up their companies for better times. They stay focused. They persevere. They trim unnecessary costs. If there is available fund, they seize opportunities to prepare for good times.

Things can be cheaper in tough times: rental may decline, there may be more available manpower to select from and current employees may work closer and better towards a common goal. Corporate clarity, alignment and accountability are paramount in resource-scarce times.

Using the analogy of a sailboat race, these leaders believe that when the tide is out, they can see the rocks better. They look hard inside their companies to repair their "sails" and upskill their "sailors" to catch the next wind.

Experienced effective leaders have high sense of urgency. They quickly learn about their surroundings and adjust even before the market shifts. They stay focused to their core business and reject "distractors" that drain their resources. They set clear direction, determine priorities, make plans and communicate regularly with their team members. They are action-oriented and respond promptly.

Tactic 2: Leverage on "A" employees and reduce "C" employees. Warren Buffett's classic quote is very timely for 2012: "It's only when the tide goes out that you learn who's been swimming naked."

In good times, sales are aplenty. Confidence is high. To fulfill the orders, employers embark on massive recruitment with low regard to manpower productivity.

In tough times, sales are low. Customers cut back, demand more and prefer to pay less. Employers have to make adjustments to up their effectiveness and efficiency.

One immediate decision is to determine the manpower productivity per employee and retain the good ones. According to The Container Store in America, one good employee is equivalent to three average employees.

Good employees get more done. It makes business sense to reduce the least effective. This results in a situation where employers have lesser employees with more pay and not more employees with lesser pay. It links performance to pay and promotes better employee engagement.

Tactic 3: Think Wider-Group Interest. With only "A" employees left in the companies, achieve strength in numbers by leveraging on each other's expertise.

Be willing and prepared to share ideas, manpower and resources with the other teams. The true competition is out there, not inside the company.

Adopt collaborative mindset within and across teams. Spend time with other team leaders to understand their needs better so as to support them to achieve results.

Tactic 4: Control Cost. Like water, funds are required in order to stay afloat. It is everyone's responsibility to generate profits by the decisions and actions that they make.

Keep cost low by spending on the "must-have". not "nice-to-have". Understand customer's

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requirements, plan well, communicate clearly and check on the accuracy of understanding and intervene promptly to minimise abortive work.

Be diligent in collecting payment. When the economy worsens, customers may encounter difficulty in paying. Collect early.

Managing business in tough times promotes going back-to-the-basics thinking. It is always survival first, then betterment. To survive in tough times, one needs to run a tight ship on course and without shirker.

Dr Lynda Wee is a specialist in Retailing, Growth Strategic Planning and Leadership. Prior to founding Bootstrap, she was the Senior Vice President of Learning and Development at CapitaLand Limited and held the concurrent post of Founding Principal for CapitaLand Institute of Management and Business. She also served as the founding member of Temasek-Linked Companies Organisation Development Network. [read more](#)

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