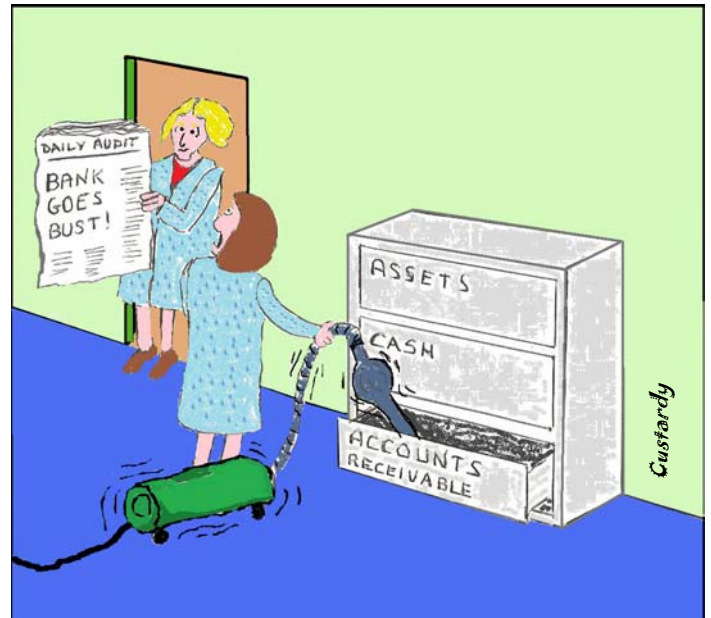


# Concepts...

*"Concepts" is published by Daedalus Oversight to raise as many questions as it answers. It is driven by the belief that the industry, its products and its services are ever evolving. The ideas reflect the challenges faced in the continuous journey of innovation and improvement.*

## Title: Economic Crisis Priorities

*"I will prescribe regimens for the good of my patients according to my ability and my judgment and never do harm to anyone."* In today's economic environment, many business leaders would struggle to meet the standards of doctors taken from an early translation of one vow within the original Hippocratic oath. Cause aside, what is the prescribed medicine for the cure now? In these challenging and restrictive times within the financial services, there is less margin for error. The goal should be not just survival but revival. The danger is that the emphasis will be on the former, which is equivalent to medical triage rather than focusing on the latter, which represents diagnosis, treatment and recovery. Historically, in difficult times, financial businesses have: cut staff & expenses; looked to protect revenue and relationships; exited or sold poor performing sectors; limited new investments; declared all groups must do more with less and wait for the recovery. The common theme of implementing the above actions is the immediate impact to the business, but the result will only be stabilization and not recovery. With the depth and elongated timeframes of this downturn, firms are risking the death of a thousand cuts through the spiraling rounds of contraction. While some immediate actions may be necessary, there is a great deal of benefit and future opportunity in some less obvious and indirect actions. If your first reaction is to regard the actions listed below as luxury items or too time consuming, then consider carefully the justifications. The suggestions are broken into three categories: Effectiveness, Growth and People.



*"Lucky I left! I was cleaning with them just before their troubles began."*

### EFFECTIVENESS

#### **Assess and Implement your business**

**measures:** Now is the time to review or put in place meaningful measures for all aspects of your business including: Sales productivity; business/product/relationship profitability analysis; process volume, capacity, timeliness and accuracy; error cause and analysis. Your business is changing; in order not to be blind-sided, you can understand and adapt with these measures.

**Business Projection & Monitoring:** Your business plan and projections will need updating to map necessary financial goals which should then

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be reconciled to the business objectives and have a simple mechanism to report and assess progress.

**Scenario Analysis:** If you are struggling with the current environment, it is because you hadn't imagined it could occur or never planned for it. Now is the time to postulate the next big changes (likely or not) and go through the intellectual exercise of considering scenarios and how you, your team and your business will cope.

**Housekeeping:** If you haven't already gone through a review of your current policies, procedures controls and disaster recovery, this is a chance to review/update them and see what people, process & technology issues are identified.

## GROWTH

**Sales prevention analysis / priorities:** There are going to be many market factors going against your business at the moment. Summarizing them with the sales group will prevent fruitless inquiries while identifying and targeting real opportunities.

**Revenue Source/Pricing Review:** Now is the time to fully understand your profitability by product, business and relationship. Plans should be formulated around protecting revenues through targeted discounts and renegotiated contracts.

**Strengthen & Leverage Service Provider & Vendor Relationships:** You are now more dependent on your service providers and vendors. Proactively seek the reviews that you are having with your own clients. Strengthen the relationships and ensure they are still viable to support your needs.

**Industry Forums:** Now, more than ever, it is critical to understand industry events but do so with *clear goals* related to: sales, information gathering, marketing and collaboration.

## PEOPLE

**Staff Skills Assessment:** At this time when you have made cuts, it is critical that you have an understanding of the remaining peoples' knowledge, experience and skills. You can judge your managers by the quality of this information that they have on their own people.

**Cross-Train and Develop Staff / Succession Planning:** With your reduced staff, back-ups and knowledge retention will be more critical. You will have to succeed with the people you have now with limited hiring and inevitable attrition.

**Participative Innovation:** For all these suggested actions the involvement of all staff will create a morale boosting environment and promote positive ideas for the future. Your staff will be actively engaged in your businesses and dealing with the crisis and new growth, while understanding the environmental limitations.

Whatever your choice of actions, your business will only continue if it can maintain its profitability for the long term. There are no quick or easy answers to achieving that. Your patient needs immediate care, recovery time combined with constant monitoring and an improved regimen for long term health.

*Daedalus Oversight would be pleased to discuss the realization of these concepts with you further. We thank you for your consideration.*

March, 2009

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