

PREPARING FOR A RECESSION

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Are You Ready?

Is your company prepared?
It's not a unique issue, but
how many businesses are
prepared? More importantly,
what does that mean?



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***According to Harvard Business Review only 9%
of businesses come out of a recession ahead.***

- Frick, Walter (2019) "How to Survive a Recession and Thrive Afterward" Harvard Business Review May-June 2019.

Understand Your Business

Is your company prepared? It's not a unique issue, but how many businesses are prepared? More importantly, what does that mean?

Let's break it down to fundamentals.

How prepared is your company in case of a recession? If you don't already know this answer, then you need to start by asking these questions:

How much cash flow do I need to maintain my business on an ongoing basis?

How will rising interest rates affect the answer to this question?

What is the plan if revenue slows or dries up in particularly affected areas of the business?

What if our customers slow down, can't pay on time, or go out of business?

Where are we investing now that could help in the event of recession?

Where are we spending now that we may not need or can pause without damaging the business?

Are there opportunities to deleverage ahead of the downturn? This could significantly help if cash flow is restricted.

As recession sets in, cash flow becomes one of the most important considerations and being able to predict and then act on it is key to companies ongoing health. Cost cutting will in the short term mitigate this but in the long term affect your company's ability to thrive and emerge smarter and stronger.

You can't cost-cut your way to growth.

If you truly understand your company business plan the only cuts that will be made are to areas that are not adding value- either from a revenue, cost, or efficiency basis. Anything you choose to cut needs to simply not be part of the answers to any of these questions.

If you take a step back and look at your company as its operating now versus what it needs and just as importantly doesn't need it's not difficult to draw the line at what adds value and what does not.



Invest in Technology

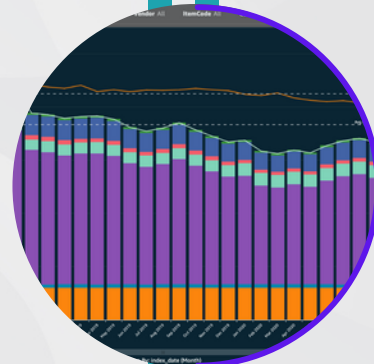
Understand how current and new technologies can help enhance and ultimately define your company's future.

There are several emerging technologies in the market that can help manage and mitigate the negative effects of recession. If you are not versed in them then at least take the time to research them and what insights, you might be missing.

Remember if you do not, when recession hits, you will be playing catch up. The players that survive and ultimately thrive will come from a pool that has the best brand, right product cost, and understands what real costs add value to their business. Most of the insights are readily available but not seen because of the complexity of the data available but several tools are or have come to market to provide clear insights. Invest in this technology now as it can also help you thrive when the downturn ends.

Artificial intelligence is being employed to bridge the gap between data and information in ways that have never been seen before.

Get up to speed to at least understand what you are not currently able to measure and ultimately act on.





Invest in Your People

Retain top talent and make sure they are properly empowered and compensated.

I know this makes basic sense, but these are the people who are not only going to help you navigate the recession but also help you emerge - hopefully stronger. Recession is commonly met with cost cutting and inevitably layoffs. This is an understood consequence but will ultimately damage at the very least hobble your company's chances of thriving afterward. Aside from the cost of acquiring and retaining talent, you would now be behind the competition and without people who can get you out in front.

Then make sure that the top talent is empowered to help in every possible way. Front line decision-making allows your company the speed to pivot as conditions change. These front-line associates know and see what's best for the long term and can keep your organization moving forward even in a downturn.

In the earlier section, we talked about understanding your business. To elaborate further on this point, you need to understand how people affect the top, bottom, and cost lines of your business. Your company is just the sum of your employees so be very careful to ensure you maximize their productivity and empower them to make business decisions without limiting your business potential. That is what will guide you through this temporary downturn and leave you strong enough to fight through and emerge stronger than ever.

Conclusion

In short, it is the people, tools, and insight that will guide you through any downturn. Make sure you invest your efforts now to understand what that means to your business and come out of any slowdown smarter and stronger. If you need help answering these questions then ProcureVue™ is a dynamic tool providing direct access to not only these insights but also cost-saving opportunities readily available without damaging the company or culture, alienating key talent, or potential revenue. We are here to make you market leaders despite the economic environment. We want to help you win and be part of the 9%.

You need a solution that uncovers the truth hidden in your complex data, in real-time.



About ProcureVue™

ProcureVue™ is a spend intelligence and data analytics platform that provides rapid, accurate, and detailed VUEs with total visibility into your spend data and can provide clarity into quickly delivering meaningful and impactful outcomes. Our full-service SaaS spend VUE solution, combined with our data optimization services, and direct consultative approach gives clear insight into your spend so you can confidently deliver on identified opportunities in real-time and on an ongoing basis.

Our global team of sourcing professionals will perform data cleanup, spend categorization, spend analysis and benefit identification using our artificial intelligence to provide unprecedented VUEs of your data through our cloud-based solution. ProcureVue™ was created by accomplished procurement leaders with diverse industry expertise focused exclusively on strategic sourcing, spend analytics and procurement process transformation.

We empower our clients to realize impactful outcomes utilizing innovative and dynamic software technology.

We combine our best-in-class software with our industry expertise and consultative approach to provide a true VUE of enriched insights into your business that help you attain a competitive advantage.