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Strategy for Survival

By ***James Butler***

As businesses continue to tighten their belts, now is the time to focus on the future. Here I would like to suggest a three-step strategy for survival.

Many organisations have embarked on wild cost cutting programmes to counter the threat of the current financial crisis.

But unless these measures are carefully planned they will at best limit their readiness for the upturn and at worst jeopardise the very survival for which they strive.

There are three key steps to survival that could help get through the recession and to be fit and ready to take advantage of the upturn – when it comes!

1. Change the rhetoric
2. Choose the right investments and the right cost cutting measures
3. Excel at execution

These actions are aimed at changing the mental attitude from a negative to a positive position, choosing the most effective investments to implement the company's strategy and delivering this strategy as efficiently and effectively as possible.

The first step is to change the rhetoric or language to positive statements of future expectation, focusing teams on solving the problems faced instead of wallowing in a pit of economic statistics. This is an essential component to motivating organisations to strive for success during these times of temporary macro-economic issues.

Even with good rhetoric, it's likely that we are going to have to achieve more with less. Stronger motivation and a focus on the future will be an essential component in a company's survival.

The second action is effective choice. Choosing the right opportunities in which to invest and, conversely, the right areas in which to cut cost during the downturn is critical due to the paucity of financial and human resources. If you can find the right investments, the opportunities are endless.

Consider how many organisations you have worked for that stop investment in marketing, IT, training, new product development, or mergers and acquisitions during difficult trading conditions. Simply cutting costs can so easily destroy value at a time when an organisation needs to preserve and create all the value it can.

To succeed requires choosing investments that add demonstrable and measurable value to the organisation and stopping everything else. For example, we can train and retain key staff, acquire competitors as share prices drop or diversify to adjacent markets as the intensity of competition and other barriers to entry fall.

The third action is to excel at execution and not just on one or two high-profile things, but on everything that the organisation does.

Fortune Magazine recently stated that 'less than 10 per cent of strategies effectively formulated are effectively executed'. In a downturn, an often-followed strategy is to take the risk of failed delivery back to more senior and experienced management.

Various attempts have been made at this, generally through a senior management review process – as in a phase or stage review. This works to an extent as risk is pushed further up the organisation and knowledge begins to be shared across and up the organisation, but the problem in a downturn is that things can change rapidly as market positions shift. To counter this, executives need to have real-time visibility of what is happening in their organisations and provide almost directive control.

Simple? Not really, but there are ways to make the process less painful by developing robust, effective, and trusted enterprise-wide capabilities that can repeatedly deliver successful results. These capabilities are formed jointly from:

- knowledge and experience within an organization
- effective use of technology providing the decision support and control executives require
- effective management of the organisational change required

So, strengthen your organisation today, make a lasting change that will not only ensure your company survives, but also that it prospers during the upturn.

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James Butler is a Senior PPM Consultant with Program Framework, working with clients to implement Portfolio, Programme and Project control solutions James is an experienced project and programme manager with degrees in computer science and business administration; he has particular interests in organisational strategy, and change management.