

Feel like you are on
the roller coaster ride of your life?
Don't despair—you're not alone!

SURVIVING (AND EVEN THRIVING) IN A GLOBAL ECONOMIC DOWNTURN



enterprising Women

Feeling the weight of the world on your shoulders as the global economy suffers through a recession? Small businesses everywhere have been impacted, but they can also lead the world out of this recession. More nimble and better able to adapt and change, women entrepreneurs leading small to mid-sized companies can emerge from this economic downturn poised for strong growth. Read on for inspiration on how to stay on track during these difficult times.

How to not just survive the current economic recession, but emerge stronger from it

Here is a simple 10-tip-survival kit



BY SONU RATRA

Once read somewhere that by the time everybody is actually talking about a recession, we have already been in one for six to twelve months. In the midst of all this uncertainty, one thing is certain – like all recessions before, this too shall pass!

When I co-founded my IT consulting company Akraya Inc, we were in the vortex of a hurricane called the dotcom bust. It toughened us up, like nothing else could. The current U.S. economic recession, too, can be a great – if not the best – teacher. Although it is obvious to cut costs during a recession, there are several other steps you can take, to not just survive the recession, but emerge stronger from it.

1 BELIEVE IN YOU!

Simple as it sounds, it is hard to not feel blue in such times. Recall all your past achievements and successes, all the customer compliments you have received, all the praise your colleagues and employees have given you. Take each day as the first day of your life and begin each day with a confident, fresh and positive outlook. Your team seeks your guidance and counts on your leadership to steer them through the storm. So, to keep your team alive and kicking, you first need to believe in yourself. Your confidence and enthusiasm is contagious. It will perk up your team and make them deliver. The results will ultimately pass on to your customers.

KEEP CALLING YOUR CUSTOMERS

We tend to assume that nobody is spending in these times. It is important to remember that as long as anybody is in business, they'll keep needing services to run their business. Sure, the volume and nature of services demanded could change. Your customers are no exception. So, instead of assuming there's no business, keep calling them, if nothing else, to simply stay in touch. They will remember you and will eventually reward your follow-up with more business.

2

Staying on Track



Sonu Ratra

It's a valuable lesson we learned during the dotcom bust when most of our competitors had stopped calling customers assuming there was no business. We, however, kept calling and were pleasantly surprised that our prospects were willing to entertain our—a fledgling company's—calls (since our competition had stopped calling them).

3

WOO YOUR CUSTOMER

Utilize this opportunity to delight your customers by giving them the highest quality of unparalleled service and a faster turnaround. Grab every piece of business available, even if it means narrowing your margins to win over new customers. Needless to say, tread carefully, so that you don't go broke to win deals! Give your customers extra, so that they always think of you first. For instance, if you are offering your client print advertising, consider expanding your services to Internet advertising as well. Thus, they come to you for all their advertising needs.

GRAB GREAT TALENT

You could consider making some opportunistic new hires now when great talent costs less. Most companies focus on cutting costs, including layoffs. You could turn your competition's loss into your gain by hiring some of their best performers, which would have been impossible in better times. These exceptional performers could take your company to the next level.

5

BE WISE, BE FRUGAL

It often takes an economic crisis to make companies cost-conscious. Get realistic, cut down on flamboyancy, renegotiate deals with suppliers and vendors, and bring back some of the frugality you practiced when you were a smaller organization.

Beware that bad debt write-offs—even with large public companies—increase during tough times. While you watch your payments to reduce costs, remember to keep collecting your Accounts Receivables (AR). AR keeps your business going. We learned the hard way when we delayed depositing some cus-

tomers checks by a week. That's when the client declared bankruptcy and we were forced to write off some of the receivables. Had we deposited the checks three days before, we would have been paid.

PRODUCT DEVELOPMENT

With ample time and lower customer demands, you have time to brood over your product. Make the most of your existing resources to focus on building a better product while reducing costs. When the market gets healthy again, you will have a better, yet less costly product, which could help you beat competition and raise profits.

7

COMMUNICATE

Your team is quite anxious during recessions. You might have a plan to survive, but the success of the plan depends on your employees. Communicate your plan to them; tell them you are a long-term player and that your company will survive. They will be loyal and make sacrifices if you are open, trusting and consistent in communicating with them.

'Remember, tough times don't last, but tough people do.'

—Sonu Ratra

4

FIRE OBJECTIVELY

Remember that your employees are your biggest assets. How you handle the layoffs will determine whether the people remaining behind are motivated or terrified. Don't use a butcher's knife to do a scalpel's job. Ensure you aren't indiscriminately firing productive people while retaining non-performers.

Are you letting go people from departments that are already understaffed while retaining people in other departments that are overstaffed? Be objective in deciding any layoffs. Consider each department's workload before sacking individuals.

For example, if you need to cut the workforce by 20 percent, don't just randomly cut 20 percent of staff in each department. Instead, cut more in production, since demand is low, while retaining staff in business development to continue prospecting and generating demand. Then, if you have to let people go, do so in one round rather than over multiple rounds. This will calm the retained staff and enable them to be productive.

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8

GET IMAGINATIVE

Look for creative ways to cut costs, improve margins and increase productivity. A few examples: Instead of layoffs, first consider pay cuts or encouraging staff to take vacations. Negotiate with suppliers for better rates and payment terms. Try asking your bank to reduce rates on your line of credit (they're doing so for home mortgages anyway, they could do it for you).



it could be self-study, or utilizing internal senior executives to develop training programs.

Business cycles will come and go. Your company, however, should not come and go with them, even as you flow with the tide and the times. It's easy to do well in a booming economy, but only the best can endure crashes. Remember, tough times don't last, but tough people do. The idea is to build teams, cultures and companies that will stay strong irrespective of cycles.

The first step to getting there is to believe that you will not just survive this downturn, but you will emerge stronger and thrive!

10 CONTINUE TEAM BUILDING

If there's anything that can tide you over the recession, it's a great and loyal team of employees. Don't make the mistake of cutting down on teambuilding activities, in the name of cost cutting. A fun environment builds loyalty, spruces up teamwork and boosts productivity. With decreased workloads, you can focus on employee development activities. You don't have to necessarily spend dollars on training—

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