

The Five Growth Opportunities of a Recession



Recessionary times present huge opportunities for businesses to **thrive**. While many businesses are hurting through a downturn, it presents those that are structured well with massive growth opportunities.

There were four take away food shops in a small township; the recession hits and two of them go out of business. The two that survived are now thriving.

There are five organic growth opportunities during a downturn.

At our 2009 International Client Conferences “The Opportunity is Now” we will go through these five growth opportunities in detail to demonstrate how and when to implement these in your business.

OPPORTUNITY NO. 1: PRODUCT INNOVATION

- Businesses that innovate their product during a downturn always do well during the next boom.
- The easiest time to reposition a business is actually during a downturn. The hardest time to reposition is at the height of a boom.
- Are you still selling the same product, in the same way and with the same pricing structure as you were two years ago? If so, then you are still selling a boom product in a bear market?

The key to this strategy: know how to innovate product, know when to introduce the ‘recession product’ and when to dump the ‘recession product’ in favour of the innovated growth product.

To Do:
 Boom time - [Product extension strategy](#)
 Downturn - [Product innovation strategy](#)

OPPORTUNITY NO. 2: CHANNELS TO MARKET

- If a business innovates product then it is clear that they will use **different** channels to market to sell its product post a recession than prior to the recession.
- If a business does not have enough revenue coming through during a recession then it is clear that whatever channels to market the business was using pre-recession were either not a) well enough established or b) the correct ones to see the business through all parts of a cycle.
- If it takes a business too long to establish new channels to market in the next growth cycle then they can miss a large chunk of uplift readily available.

To Do:
 Boom time - [Channel extension strategy](#)
 Downturn - [Channel development strategy](#)

OPPORTUNITY NO. 3: FUNCTIONAL STRUCTURE

And what can stop a business owner/ manager from finding the time to develop product and find those new channels to market? Answer: the functional structure of their business. Often dragged back into the business during a recession to “run” the day-to-day operations, the manager finds it difficult to find the space to undertake growth initiatives.

The output is that the business needs a “recession functional structure” – a lot of businesses fail to adapt their structures through the cycle and end up simply retrenching staff against cost budgets.

To Do:
 Boom time - [Micro functionality review](#)
 Downturn - [Macro functionality review](#)

OPPORTUNITY NO. 4: CAPABILITY

We come out of recession with a fresh new innovated product range, sold into new channels to market; the business needs different levels of infrastructure and different skills levels post the downturn.

The fast moving businesses coming out of recession build their capability.

To Do:
 Boom time - [Wide capability strategy](#)
 Downturn - [Depth capability strategy](#)

OPPORTUNITY NO. 5: SUCCESSION PLANNING

Many businesses forget staffing succession during downturns. It is almost as if staff are safe during the downturn so no need to worry about them. They will stay out of sheer fear of not getting another job.

The problem is that staff, post recessions, then leave. This creates a recruitment problem for businesses. And so while other businesses are starting to grow during the upturn, some businesses spend most of their time re-staffing and spending those valuable investment dollars on recruitment costs.

To Do:
 Boom-time - [External succession strategy around equity](#)
 Downturn - [Internal succession strategy around staffing](#)

At our next global conference, “The Opportunity is Now”, we will examine in depth the opportunities for companies during an economic downturn. How can companies thrive, and not just survive, as we face challenges together over the coming 18 months?

The Opportunity is Now

Shirlaws International Conference 2009

[Gold Coast, Australia](#) 4-6 March 2009
[Hertfordshire, UK](#) 25-26 March 2009
 San Francisco, US 1-2 April 2009

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 We'd love to see you there.