

Capitalizing on a downturn economy

Most of the articles that you are going to read over the next few days and weeks will be all about doom and gloom as the elections roar on and more large companies succumb to the bad management decisions that they have been making for years. This article is going to take a different spin by telling you how your business can take advantage of an economy that is in a downturn. In this article, I will submit that the current economic crisis is actually a good time for many companies to expand, not contract, and I will tell you why. There is always opportunity, even in the worst economic state because consumers still spend money. The only thing that changes is where and how that money is spent. For organizations that tend to be more flexible, there will be many strategic opportunities out there.

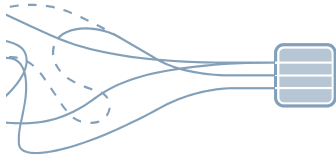
Expanding your customer base

A slowing economy may be a good time for companies to expand their customer base. This can be done in a couple of different ways. One way is by expanding the products or services that your company offers as some services or products may be in more demand than before. Look at what your company can offer the marketplace and identify any complimentary products or services that you can offer. This does not mean creating a new line of products or services, only looking at what you currently offer and potentially repositioning it for a larger market. You can also look to expand to whom your product or service is marketed as there may be a whole new demographic that might be interested in your product or service, so you can grow that way. As an example, there may be a lot more people looking for premium savings accounts to store their money until the stock market storm blows over, so there is an opportunity for lending institutions to expand their customer base that way.

Another way to expand your customer base is expand the markets in which you offer products or services. This might be the perfect time to start offering your product or service in China or India or Russia, to tap into customers and clients outside of your current markets. There may be acquisition opportunities to expand your business. Many businesses are failing, so there may be opportunity to grow your customer base through the acquisition of a competitor or a complimentary business.

Expand your talent base

Expanding your customer base is not the only way that organizations can grow and improve their businesses. You may find that other companies both inside and outside of your industry are having difficulties and being forced to downsize. This may be an opportunity for you to bring in additional talent and skills through a strategic hiring process. This may help support your expansion into different customer bases if the right person is brought in. You can easily attract and retain the top talent in the industry by showing that your organization is well-positioned for



growth and opportunity and has the stability to not only make it through the tough times, but thrive in them.

Expand your investments

A downturn economy will also mean that some products or services that your organization purchases may be cheaper, so now might be the right time to invest in the new machine that you need or the new technology that is required. These decisions need to be strategic and help the growth of your business, but there can be some significant opportunities if you are buying when everyone else is selling. There will be some good bargains out there.

It is unfortunate, but companies tend to panic with the rest of the general population when the economy takes a turn for the worst. The true strategic thinkers look at this as an opportunity to expand their businesses more cheaply and invest in areas where there are opportunities for growth. Everyone needs to be smart about where they put their money, but as the owner or Executive of a business, it is also to your advantage to look for opportunities that can be leveraged to grow or improve your business. The sky is not falling and we will live to see another day, things will eventually get better, they always do, so you need to be thinking about how you can be best positioned for the future when that happens.