



# Inbox *Insights*

Below is a summary of comments recently made by John Kielich, Managing Director of KCF, at MMAC/COSBE:

## *Strategies for Current Economy*

There is no question that the current economy is taking its toll on virtually all businesses. The automotive and financial industries are the current poster children for this economic slow-down. As a business owner, it is your challenge to navigate these uncertain market conditions. Below are some ideas to help you weather the current crisis, and more importantly, be ready for the better future.

What is most important is to ***Do Something***. Times like these are ripe with opportunity; take the time to do all those things that you have been meaning to do and have not made the time to do. Unless you find yourself in a business that is totally immune to the downturn, you should take actions to improve your operations and cost structure. In many ways employees, customers and suppliers expect it. Any changes that you make will not be a surprise because of this mindset. Even an icon like Harley Davidson has had to take significant action.

Once you decide to ***Do Something*** my next advice is to ***Do It Quickly***. Look for ways of making an immediate impact on your company. Do not over analyze your decisions before taking action. Speed can be an asset; this is not the time to be paralyzed by data and analysis. I am a staunch believer in continuous improvement tools like lean, six sigma and 80/20, but these are programs that take time to implement and see results. Once you have made some improvements and achieved your desired state, consider implementing a continuous improvement program ***to sustain the benefits you have achieved and reap additional efficiencies***.

Finally make sure your actions ***Focus on the Long-term***. This might be the single most important takeaway. I personally do not support cost savings actions such as freezing salaries or reducing work schedules. While every cost should be reviewed during this time, these severe actions are temporary in nature. At some point strategies like these will need to be relaxed or changed. In addition, implementing compensation freezes may put you at risk of alienating your best employees, who can always take their talents elsewhere. Instead of focusing all your energy on short-term cost savings, set a long-term goal to be a top performer against your peers. Use this as a time to retain the top 80 to 90 percent of your people and cull the bottom performers. This will position your company to seize opportunity when the economy rebounds.

Things will get better, and you need to be ready for when they do or your competition will take the lead. At Kolb+Co. we have the resources to help you identify opportunities for long-term improvement and are here to help you succeed. If you would like to have a free confidential meeting to discuss our services please contact me at 262-754-9400 or [jkielich@kolbco.com](mailto:jkielich@kolbco.com).