



**How to anchor your team
for an economic downturn.**

8 steps you can take now.

Recent News

A recent *New York Times* survey indicated many respondents throughout the U.S. fear the next economic meltdown. The publication surveyed 134 business leaders at the Yale CEO Summit, an invitation-only gathering where executives from companies including Ford, Verizon, Morgan Stanley and more get together and talk shop. The results indicated that almost half thought the U.S. could face an economic recession by the end of 2019.



While it may be the most recent, the **NYT** survey is not the only publication sounding a recession alarm. In the recent Duke CFO Global Business Outlook, 82% of CFOs expect the beginning of a recession by the end of 2020, while nearly half saw it occurring even as early as this year.

We may not know when the next recession will come, but one thing is for certain: it's easier to plan for BEFORE it begins, when times are still good. Here are EIGHT STEPS to take.



1. FINANCIAL IMPACT

How would a recession impact both top-line sales and overall profitability?

What adjustments will you have to make to minimize the impact of an economic downturn?

2. PERSONNEL STRENGTH

Who are the “must keep” players on your team?

Are these key team members driving top-line sales while controlling their expenses or do they contribute by managing the expenses of an entire group?

Are you currently “at risk” for losing any of these key people? If so, can you change that?

3. COMPENSATION

How would a big drop in sales impact your company’s compensation plan?

How will each individual contributor be impacted? Are they prepared for a sudden drop in income?

Do you have a compensation plan component that maximizes top-line revenue and rewards expense control and profitability?

Are there any changes that you could make now to set your company up for survival and better success in the future?



4. MARKETING SPEND

Could you gain market share during a recession?

History has numerous examples of companies who opted to be aggressive with their marketing spend when everyone else was cutting back; they gained a strong competitive advantage when the recession was over.

Are you ready to invest while others are pulling back?

5. EXPERIENCED MANAGEMENT TEAM

Have your team members been through a tough economic slowdown? Have they experienced cutbacks, extraordinary budget controls and even layoffs?

As you hire new people in the coming months, consider bringing on a more experienced employee who has “been there, done that.” They can be a valuable asset and can mentor team members who are going through their first tough economic experience.

6. STAY INTERVIEWS

Conduct “stay interviews” to identify and minimize triggers that might cause someone to consider leaving. This is a great way to test the temperature of the team and to ward off surprises.

What information gathered in each conversation can be used for developing a personalized retention plan?

Can you leverage opportunities for professional development, flexible work schedules, telecommuting or other options to keep employees engaged and loyal?



7. COMMUNICATION

Are you keeping everyone “in the loop”? An honest, direct and open communication style can help keep the whole team invested in controlling spend.

Do you have a way to reward those who come up with money-saving ideas?

8. LEADERSHIP

Does everyone on your team understand your vision for success?

Do they know what your goals are and how you plan for the team to get there?

The time to be a great leader is NOW. The time to plan is NOW.

Doing so can be the key to your company’s survival; it can also contribute to growth and lead to additional market share during tough times. We don’t know when the economic downturn or challenging financial times will come; what we do know is that it will.



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