

CHALLENGE SUMMARY 5

Leadership Team
Support Materials

IS YOUR BUSINESS WORRIED ABOUT DOWNTURNS IN THE MARKET?

"Global growth remains subdued" World Economic Outlook, July 2019

If the meteorological forecasters with all of their amazing technology and long-term weather data still get the weather wrong from time to time, then it can be no surprise that the economic forecasters deliver a range of predictions which vary between the extremes of absolute pessimism and cautious optimism and we can never be totally assured they have got it right too.

The process of modelling so many complex interrelated variables is very difficult and there are so many different assumptions about what will happen that have to be factored in to their calculations.

Maybe some of the forecasters even have a political bias in what they do, but no one could argue that long-term predictions are of little value to the business leader trying to make critical decisions about the next 12 months.

One thing is for sure, the warning signs of a market downturn are clear for all business leaders to see – slowing of order intake, elongation of the sales cycle, deferment/cancellation of orders, late payment of invoices and ultimately cash flow problems as a result of burn outpacing cash-in.

And whether you are a quoted company or not, shareholder confidence and market value start to suffer.

So what can you as a business leader do about it? Short of downsizing or borrowing, there are only two options open to you.

The **first** is to increase your market share at the expense of your competitors; the **second** is to secure new markets for your products or services.

And you can only do these things if you are truly a 'best in class' organisation - so are you?

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