

# Tough decisions might not include cutbacks

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Challenging times sharpen the instincts and a recession can demand radical initiatives.

For some leasing professionals, recessionary conditions are familiar territory even though this one has different characteristics from its predecessors; but for others, the turmoil is an unwelcome novelty.

Tough conditions are an appropriate environment for assessing where a business currently is, where it needs to go and what the best way might be to get there.

In adapting to the evolving economic and market climate it is important that the focus is not solely on tackling day-to-day business issues but also on longer-term goals.

A knee-jerk reaction might be to batten down the hatches and start to trim budgets, but any decision making should be

reasonable and reasoned, not just reactionary and short sighted.

If there is a need to achieve savings, cost-cutting should not be indiscriminate as it could weaken the business and result in not merely trimming the fat but also removing some of the muscle.

But a well thought through approach should achieve a leaner and more efficient operation.

The need to make savings is often manifested by cuts in one of a company's biggest outlays – people, as staff costs or issues come to the fore.

Tough decisions need to be made when assessing who must go and who should be retained.

It is important to bear in mind that some of the skill sets needed during a recessionary period may differ from those for boom times, such as today's

greater emphasis on enhanced risk management.

This evaluation of skill sets should also strive to identify the competencies that will be required to drive the business forward and seize any emerging opportunities. How does your company's talent stack up?

Having sorted the wheat from the chaff, the emphasis switches to attracting, retaining and developing key people that possess skills beneficial to the business.

The input of external expertise and experience may be another consideration as a cost-effective means of plugging any gaps, or helping to secure the right mix of talent, or for driving specific projects forward.

Many leasing companies are putting a stop on all external spending and this could at best be a "quick fix" or, more like-

ly, counter productive in the long-term.

When management encounters problems that are outside the scope of its experience, the simplest solution is to seek help and guidance from someone with the expertise required.

Even, indeed especially, in a downturn, businesses need to innovate while seeking ways to achieve efficiencies and make savings.

Some companies may prefer to shy away from outsiders but this is not always a smart move when looking to improve the business proposition.

Now is the time to take steps to help recession proof your business by reviewing and sharpening your skills and key assets.

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