



managing in an economic downturn seminar

survive today and prepare for the future

seminar overview

Normal Times:

Business is good, margins are good, market share is being defended or pursued: there are some problems but we are working projects to fix them . . .

Then an Economic Downturn occurs:

Demand is falling rapidly, inventories are growing, supply plans are greatly reduced, plant utilization is way down, product costs are up,

margins and profits are at risk, cash flow is reducing . . . and we are getting pressure from ownership to maintain profits.

What do we do at the top level? Senior management actions set the tone for the business. In this seminar, you will learn how to ensure that your company not only survives but is positioned to rapidly grow when economic conditions improve.

An economic downturn tests a leader's skills and mettle. Your instructors will lay out a disciplined executive process to ensure that your company survives an economic downturn.

This management approach includes critical thinking, scenario planning, and integration of business management planning and decision making.



together we make a difference



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this seminar includes *Business Plans are no longer valid but expectation for achievement is unchanged – assuming survival is a given. Customer demands increase while willingness to pay for them decreases. Product introductions are curtailed or cancelled to save money. Employees are fearful and spend time (work time) contemplating a bleak future and criticizing management actions or inaction. Budget cuts are mandated without regard to the workload. Efforts to improve the business are cancelled or curtailed to cut costs. Short-term profitability can be less important than long-term growth strategy. Management activity to address realities is not apparent or well communicated.*

objectives and benefits Many companies miss the counterintuitive opportunity to fine-tune their businesses in a down economy. Senior executives are so consumed with addressing the day-to-day turmoil, they fail to prepare to take advantage of the inevitable upturn. Surviving is obviously a key priority, but the real future of the company is in its ability to lead the competition when economic opportunity becomes the business driver again. At the end of this seminar, participants will be able to:

- Play a significant role in the decision-making process that gives the company greater control of the market - and the company's future
- Gain participation of the owners in the solution by changing their expectations
- Guide their company in adapting to changing conditions by cutting supply plans to lower inventory and increase working capital, cut controllable expenses, getting and keeping the leadership team aligned, and ensuring decisions are executed
- Recommend ways to achieve profits, grow volume to keep up utilization, and manage new product development
- Facilitate a new focus on the integrated reconciliation process

Participants will learn:

- How to overcome decision-making challenges
- What information is required to aid the leadership team in the decision-making process
- How to develop at least two different scenarios for decisions and enlist appropriate participants in the scenario development process
- The components of fully-integrated scenarios such as New Product, Demand, Supply and Suppliers, Finance (income statement, balance sheet, and cash flow), and Human Resources
- Steps to grow volume to keep up utilization and strive to achieve profits

who will benefit from this seminar **Senior executives - CEOs, COOs, CFOs, and all members of the leadership team who are responsible for ensuring the company's survival and growth for the future. S&OP is key to the process and, therefore, must be revived or implemented to ensure success.**

This seminar addresses the following critical topics to managing in an economic downturn:

Closing the Gap:

How to identify ways to "close the gap" between the stated business plan/annual objective and our latest projections of reality

- When it would be better for the health of the company to decide not to close the gap
- When it would be better to take actions to strive to close the gap

Guiding the Group on the Decision-Making Thought Process of the Management Business Review

- Strategic context – will the decision be aligned with our strategies?...Do we need a new or different strategy?
- Business plan context – will the decision support the business plan...or will a gap persist?
- Financial performance – how the decision will impact our financial performance; the expectations of the Board and of Wall Street
- Customer Context – how will the market view our actions?

- Partner Context – How will our suppliers or distributors view our actions?
- Employee context – How will the decision impact our employees?

Managing Change

- The illustration of assumptions – good and bad
- The effect that good and complete assumptions have on making a decision about the future (around when the business will turn up again) versus the impact of poor and incomplete assumptions
- The use of assumptions about business drivers
- The use of regression analysis to help determine the "pace" of the upturn
- The use of a monthly process (S&OP/IBM) to:
 - Update assumptions
 - Update projections over a 24+-month planning horizon
 - Identify opportunities and risks
 - Keep plans aligned
 - Make key decisions about the future
 - Develop a scenario based on changing assumptions and new opportunities and risks

Choices to Make During the Downturn to Ensure Readiness for the Upturn

Strategies to increase market share during the downturn

- Selling/customer relationship
- Marketing (product, price, promotion, place)
- Product availability
- Delivery performance

Strategies for being ready for the upturn

- Product development/innovation
- Internal supply chain
- External supply chain

- Key leadership behaviors, how to ensure the leadership team exhibits these behaviors, and what happens when those behaviors are not exhibited

Financial Strategies

- Budget changes - cuts and preservation
- Evaluation of discretionary spending
- Investments to create future advantage in the marketplace
- High-leverage improvements

Preparing for the future

- Eliminating outsourcing where capability exists
- Asset utilization and preservation of key competencies

The foundation of this seminar is the discussion of the two priorities that have been identified in an economic or market downturn: survive today and prepare for the future. The executive management processes of Strategic Planning, Business Planning, and Sales and Operations Planning are at the core of Integrated Business Management and are critical to capturing and deploying these priorities.

the journey to business excellence

Oliver Wight are leading business improvement specialists who educate, coach and mentor people to lead and sustain change on the journey to business excellence and outstanding business performance. Oliver Wight is a worldwide consultancy with offices throughout Europe, in North and South America and the Asia/Pacific region.

At the leading edge of management thinking and practice, our unique Integrated Business Management process and Integrated Business Model lies at the heart of client journeys to business excellence. This model addresses all aspects of company planning and execution from the boardroom to working levels in manufacturing and service sectors. It provides one common agenda for your company with one set of numbers and one set of priorities. It links diverse processes in managing the extended supply chain, product and customer portfolios, customer demand, and strategic planning into one seamless management process.

The renowned 'Proven Path' process for change management lies at the heart of our approach to 'Integrated Change Management.' This integrates your strategic journey to excellence through major project management to everyday improvement programs ensuring they are visible and contribute to company goals. This process promotes sustainable change through line ownership for successful ongoing management, accelerating management processes and controlling waste and variability.

Your implementation is supported by our practical experience and knowledge through facilitation, coaching and education backed by our unique Class A Checklist, the longest-established business excellence assessment tool.

Seminar Duration and Hotels

The seminar runs one day, beginning at 8:00 a.m. and ending at 4:00 p.m. As a convenience for participants, we reserve hotel rooms in the hotels where the seminars are held. Just let us know your needs at the time of booking into the seminar.



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