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The Voice Of Reason

It's a recession. Deal with it!

It seems impossible to open a paper or turn on the TV these days without hearing about what a bad state the economy is in. Banks in crisis, global warming, peak oil, recession and regression.

We are told we must batten down the hatches and take some tough medicine. Conventional wisdom states that in times such as these we must not spend money, cease investing in our businesses, and take no risks.

Says who exactly?

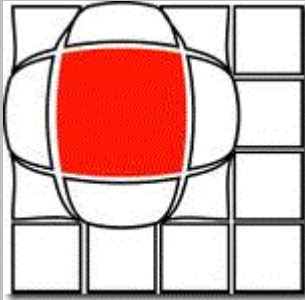
There is a body of opinion, mine included that believe that a contracting economy holds opportunity and that it can be a good time to develop a business as many of the play-pretend business persons have disappeared into the relative obscurity of the mist. The market is clearer and more accessible to professional operators. The entrepreneurs profiled in the book certainly support this theory.



Recessionary times are not necessarily a bad thing and are often necessary to maintain a commercial and economic balance. It is essential to maintain self-belief and focus on the bigger picture. These are your most powerful tools in times such as these.

[Seth Godin](#) has a thesis about how; during economically challenging times we tend to focus on one thing - what is bad or negative about the external environment. This focus is often at the expense of the bigger picture.

He suggests that our commercial life is like a 4 x 4 grid. We have 16 different areas of focus such as market, location, reputation, staff, structure, strategy, sales etc.



When Times are tough we tend to focus on just that one area at the expense of other important areas of the business.

He puts it like this:

'When something is going wrong, the economy is out of sync, we panic. We obsess about just one of the sixteen boxes and ignore the others. We talk ourselves into hysteria about how "None of our customers have any money" or " In this bleak economy, we'll never make a sale." Instead of using the relative downtime to build up the other 15 boxes, we just sit in a corner, keening, worrying the one box that's out of whack.'

It is all about balance. We need to maintain a consistent balance in our businesses. If we are to alter one variable then we must evaluate how that change will affect the other (Fifteen) variables.

The central issue is that prudent financial management has a conservative foundation. As soon as bad news is discovered then the shutters come down. It is simply a financial reaction in a bid for self-preservation. Develop this situation and extrapolate it to a position whereby everything we read and hear is negative or regressive. Then the national mindset becomes infected.

Remember we are not the cause of the present tough economic climate, but we may be the cause of our inability to snap out of it.

As [Seth Godin](#) says:

'The problem with whining is this: human beings like to be right. If you persuade yourself and your friends that times are really tough and that you are bound to fail, you'll probably do the things you need to make that true in the long run.'

We can certainly change our commercial mindset by simply not buying into the psyche of the negative crusader. Ignore bad news, better still do not read or listen to it.

Work on having a positive mindset and attitude.

What harm can it do? What can you lose? After all if we listen to the prophets we are all doomed. But if they are wrong and they always have been in the past, we will have strengthened our position in the long run.

A business strategy without having to listen to whingers.

Sounds like a win-win situation to me!