

5 ways how entrepreneurs can make the most of a business slump

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A business slowdown or a general economic recession offers challenges in the lives of every entrepreneur. From seasonal slowdowns like holidays or specific off season phases for a particular business to an overall slump on a national/ regional level due to various factors, a slump can be a challenging and de-motivating time for businessmen, especially the first generation entrepreneurs. Listed here are 5 effective ways to battle and emerge a winner from the slowdown!

1. Alter your product/ value offerings:

This is an important aspect and the first line of action for an entrepreneur, when trying to cope with a business slowdown. Depending on the overall market scenario, it is wise to modify ones product and service portfolio to match the consumer requirements at the time and this may vary from business to business. For e.g, for some businesses, it would be wise to include additional customer service as value-add so as to retain existing customers by giving them a little extra. While for others it may make sense to cut down on certain discounts or benefits which were previously affordable.

2. Re-negotiate contracts

Capturing the expenses and optimising resources is the second most vital step when bracing for a slowdown. However, it does not always mean completely cutting off certain essential business services or vendor contracts. Instead, in the times of the millennial entrepreneurs and disruptive technology innovations, there are several options available for optimising performance. From modifying exclusive or retainer contracts to as-and-when required services to 'leasing' services from various vendors when required, to outsourcing tasks etc. can help reduce costs without cutting down on essential business needs.

3. Network and collaborate

A slowdown for any set of business is an excellent time to meet other players in the industry, to reach out and network with them so as to understand the larger picture. This also offers excellent collaborative opportunities too, which apart from helping in business growth, also

offer the much needed moral support and confidence needed to tide over a rough patch in business. Networking and collaboration during tough times brings out the best in entrepreneurs and may be the right time to make life-long friends or partners!

4. Personnel Development

Business slump also offers an excellent time to introspect, analyse, observe, and improve oneself. From additional training session for the staff and employees to indulging in knowledge sharing with peers, this could be an excellent opportunity for gaining knowledge and personal development. One may also engage in short term business related courses (several are available on MOOCH sites like Coursera, which are free) or workshops that can help learn essential skills.

5. Plan for the future

As ironic as it may sound, a slowdown is the best time to chalk out a realistic growth plan, and sniff out profitable opportunities within the industry or in allied segments. These may include expansion of services to offer value and thus stay relevant or forge new partnerships to offer innovative solutions that can help beat the slowdown. A lot of business icons owe some of their most intelligent innovations to a slump period or an economic slowdown!

As an entrepreneur, one needs to be well prepared for lull phases in business and also be vigilant and sharp to make the most of the favourable times. Above all, the most essential qualities for any successful entrepreneur mainly includes a keen sense of observation, an eye out for opportunities, passionate dedication to the business and an expertise in the craft, coupled with sharp intuition and people skills, all come to the fore to ensure you can not only survive but thrive the slowdown!