

Tips for surviving a downturn

Lead from the front

Leadership matters. Be visible, be positive, be approachable.

There is no easy place to be in a crisis but locked in meetings and looking worried around the place won't help others to be as productive as they might.

Plan ahead

The successful businesses in two years time will be those that planned for the upturn while they were managing the downturn.

Pressure to make quick changes exists, but resist it and think things through. Look for creative answers that avoid long term damage to your business and preserve your opportunity to be successful when things improve. Hang on to your best people, not those that are least expensive to let go. If you are losing staff make sure that you have good timescales to hand over vital knowledge and don't push them out of the door in an undignified rush. Wherever possible, think the financial future through and make your changes once rather than as a series of rolling cuts that will have everyone wondering whether they might be next.

Maintain performance

Enlist good will by acting honestly.

Leavers will need to be performing right up to their exit, and they are more likely to help you if you can show that you are helping them. Be straightforward, don't hide behind others and be as generous as you can – if not with money then with outplacement support to help people build opportunity elsewhere.

Communicate, communicate, communicate

Ambiguous communications at times of crisis will always be interpreted negatively.

Counter this by communicating constantly and as clearly and honestly as you can. Don't shy away from giving bad news and celebrate every piece of good news that comes your way. Even if you have nothing new to say then keep saying something rather than saying nothing. The BBC is enough to make anyone suicidal at the moment so make sure that you are getting your messages over loud and clear.

Support managers

No business relationship is more important to employees than that with their manager.

Whatever you might say to staff, the tone that they take from their immediate boss matters more so make sure that managers have the right support – emotionally and practically – to get the job done. Get them 'on message' and keep them there. Spend time with them, coach them, listen to them.

Be honest and engage survivors

A good leader is respectful of the past, realistic about the present and optimistic about the future.

'Survivor guilt' is a real issue. Explain to those that remain why your actions are necessary, let them know how leavers are getting on (if you have an outplacement programme, this will tell you) let them know that you have been fair and as generous as you could be. Don't stop doing good things like training and parties, just scale them down or find a cheaper way.

Speak softly but carry a big stick

While you are communicating and supporting, make sure you have good back-up if it all goes wrong.

Make sure that your actions are legal and get good advice before you leap to action. Every statistic shows that Tribunal applications rise in economic recession and indeed, why shouldn't they? Every employee knows that a no-win, no-fee solicitor is available to them and not to their employer and with no cost awards against defeated applicants, the Tribunals represent a risk-free activity for the disgruntled.