

THE RIGHT ADVICE

This article appeared on pp 49-50 in the Emerging Companies section of **Business Review Weekly**. By Leo D'Angelo Fisher

April 23-29 2009



Lazy markets camouflaged the unfit, so SMEs must go on the offensive to win the battle for survival.

Irrespective of size or sector, it is an unsettling time for business. For smaller companies, with limited access to internal strategic and management expertise, the global recession must seem daunting. Business owners and managers who have never experienced such a severe downturn will especially find themselves in an alien environment.

Businesses with the funds or determination are seeking external expertise to help them adjust to the new economic world order. BRW asked four leading business consultants about the issues most concerning their small and medium enterprise clients and what advice they are giving them.

Peter Fuda, Principal, The Alignment Partnership

THE CHALLENGE

There are two distinct camps in the SME sector at the moment. The first camp is made up of those who used top-line growth from a buoyant economy to paper over cracks in their strategy and culture. Their primary concern now is how to rapidly strip out costs and increase productivity while they are being battered from all sides.

The second camp comprises SMEs who used the good times to build robust strategies, adaptive cultures and highly skilled employees. Their primary focus is how to leverage the present environment to take market share from the SMEs in the other camp.

THE ADVICE

This is a time when SMEs cannot afford any misalignment in their organisation. They should recalibrate their business goals and standards of behaviour to better reflect the current environment. Business leaders must then systematically review all aspects of their organisation to ensure that each factor is in alignment with the revised ambitions.

Leadership is critically important at any time but in the present environment it is doubly so. Any leader who is simply reporting the news, for example that "the economy is terrible and times are tough," is not leading at all.

At this time, effective business leaders need to behave more like authors.

They should be plotting, scheming and planning the next chapter of their organisation's journey.

While the current pressures are undeniable for most SMEs, effective leaders need to ask better questions. How can we minimise the negative impact? What are the opportunities presented by this environment? What could we do that we have never done before? What could we do now that will pay off next year?

This is a time for leaders to raise their personal standards. **BRW**.

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