




Why a Bad Economy is the Perfect Time to Bring in a Business Consultant

*How a Business Consultant can
Help Your Company Succeed
when Money is Tight*

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Slashed budgets. Employee lay-offs. Decreased sales. The ramifications of a bad economy touch every aspect of business today.

Understandably – and wisely – companies are carefully scrutinizing every new expense to see whether it will deliver a healthy ROI. Profit is essential for survival. Unfortunately, companies often do not recognize one of the key ways to promote their success: bringing in a well qualified business consultant with the experience to help them accelerate the changes they must make to prosper. They have reservations about either the benefit or the timing of such an investment in their company. Perhaps as a business leader, you have asked one or more of these questions:

With multiple places to put every dollar, is now the right time to hire a consultant?

It's important to take a step back from the myriad of day-to-day business details to look at the bigger picture. Here's the simple truth: because the economy is weak the list of companies who will survive is progressively getting shorter.

The companies who will come out the other end of this tunnel all have something in common: they will reach the right markets with the right message, and offer the right products and/or services at the right price.

That is a tall order. To achieve it, something else has to be in place inside your own company: *the right people need to be in the right seats, with clearly defined roles and accountabilities.*

At the top, this means having a leadership team that is both highly qualified and unified. Throughout the company, it means having high-functioning teams in every department. Without this solid core of people and organizational clarity, companies cannot create and execute an effective business strategy. Instead, they get swallowed up by their competition and become yet another casualty of the recession economy.

But, ensuring that the right people are in the right seats is difficult. All too often, companies don't recognize that they have the wrong people in leadership positions, or that their people aren't performing to their optimum capability: either because they have been placed in the wrong function, or because they are simply overwhelmed and have hit a ceiling.

A business consultant can help companies avoid this unintentional myopia and instead focus clearly on what needs to be done to move to the next level. A well-qualified, experienced consultant brings objectivity, expertise, and practical tools to the table in order to analyze the company's structure, review roles and responsibilities, evaluate and hone leadership skills, and develop collaborative teams.

As a result, while many companies struggle to stay afloat, businesses that employ consultants to help strengthen their organization's structure and alignment find that they are not only able to survive the recession economy, but they can actually jump ahead of their competitors. Simply put, the right people in the right seats drive the right results.

Don't I just need to concentrate on getting more sales?

Sales growth does not always equal business success. Why? Because sales do not exist in a vacuum. The sales function is only one aspect of a complex business model.

When leaders define sales growth as the only key factor in their business's success, they often push their salespeople to bring in clients at almost any cost. This can yield highly detrimental results:

- Anxiety on the part of the sales team replaces healthy motivation and solid decision making.
- Sales mavericks begin to bypass company processes, develop new offers that cannot be supported, and submit pricing that is unsustainable ... just to get the sale.
- Customers are brought in who are more difficult to serve and less profitable, resulting in damage to the company's reputation and bottom line.

Furthermore, the company may not be able to handle an increased sales volume. If, for example, the management, production, fulfillment, and distribution areas of a company are not fully aligned, or are poorly led, then increasing sales will only magnify the organization's weaknesses. The end result will not be business success, but plummeting customer satisfaction and the transfer of business to the competition.

A business consultant can help the company's leadership team examine every aspect of its business to create an environment where sales growth enables a thriving company. This involves ensuring that the company vision is understood at all levels of the organization, and that the operational processes are in place to support that vision.

Only after the right structure is in place and the right people are aligned throughout the organization should attention be turned to the sales process and the strength of the sales team. A well-qualified consultant can help the leadership team narrow the focus of the organization to identify the most attractive prospects and clients for the company – prospects and clients who will generate the most profitable revenue, enhance the company's reputation, and bring in high quality referrals.

By working with a consultant to improve communication, create highly-functioning teams, streamline operational processes, and identify the most attractive customers before seeking increased sales volume, businesses place themselves in a solid position to handle the resulting business growth.

Can a consultant help if I'm planning to sell my business?

For a variety of reasons – the tight economy, the current stage of business growth, personal choice – many business owners are making the decision to sell their companies within the next two to three years.

In those cases, consultants can help owners gain a higher price for their businesses by working with them throughout the interim period to sharpen their strategy, improve their operational execution, and put in place a healthy, effective leadership team that will sustain the company's performance after the sale. This holds true for

both multi-million dollar firms and small family-owned companies. A consultant can help the owner strengthen the organization prior to sale by clarifying roles and responsibilities, ensuring that the right people are in key positions, identifying the data necessary to improve the business's performance, addressing critical business issues, and streamlining operations. Tackling all of these activities in a holistic fashion will improve the performance and the profitability of the company, making the business more attractive to potential buyers. In short, acquirers will know they are buying a company and a leadership team that will create a great ROI.

How can I justify hiring a consultant when I just had to lay people off?

Managing change is critical in tough economic times. It is also one of the greatest – and hardest – responsibilities that a leadership team has to fulfill.

There are times when a slow economy is the principal driver behind company layoffs. More frequently, however, a bad economy simply highlights the operational and structural weak spots already in existence inside a business. Those weak spots are the true roots of the inefficiencies, distractions, and diversions that lead to the organization's business downturn and eventual employee layoffs.

For that reason, making the decision to cut back on staff is usually just the first step to regaining organizational health. To manage change in a tough economy effectively, company leaders need to examine their business from top to bottom and address the core issues that are affecting their ability to succeed.

A business consultant brings the necessary objectivity and experience to the table to help leaders do exactly that. He or she will partner

with the company's leadership team to work systematically through the changes that are necessary to ensure the company's ongoing health, and will help the team manage those changes by enabling them to communicate fully and effectively with the entire staff. Plus, the consultant will assist the leadership team in setting specific, measurable, short-term goals for the company. These goals, while advancing the company's overall vision and strategy, serve to inject motivation and confidence into the organization as employees see positive proof of change and growth.

Leaders who bring in consultants to help them manage change after a period of layoffs are often surprised at the response of the remaining employees. Rather than resenting the consultant, staff members usually recognize and appreciate the fact that leaders are taking action to ensure the survival of the company. Hiring a consultant communicates a message of commitment and a prudent focus on future success: not only is the company being positioned in the short-term to survive the economic downturn, but it is being groomed for future long-term success and growth. One employee at a client company said succinctly, "We'd rather know that our leaders are doing more than just cutting. They're proactively defining what we have to do differently to not only survive, but grow."

What will my investors say if I hire a consultant?

Just as employees appreciate knowing that the company's leaders are taking positive steps for change, investors appreciate that focus as well.

Investors want sustainable growth. When layoffs occur, public shareholders and private investors immediately sense trouble. To counter this, it is imperative that leaders demonstrate they are willing to invest in the future growth of the organization. By bringing in a consultant with the right skills, leaders

show investors that they are serious about improving their company's strategy, structure, and execution. By making that commitment apparent through their actions, company leaders will often receive solid investor support. A consultant adds both perceived value and real value to the company and its owners as leaders take action in a timely manner to respond to the pressures inside and outside the company.

The Time is Now

Tough economies require everyone to be executing well every day. We strongly recommend that you take the time to ensure your business is ready to outperform your competitors and that you are delivering superior results for your customers, employees, and investors. Gaining traction to do that requires a holistic approach.

By working with a well qualified business consultant to improve your organizational alignment and structure, focus your leadership team, streamline your operations, and strengthen your ability to execute, you will put your business in top form while your competitors will be left trying to catch up with you.

Contact Us

Makarios' solutions are inspired by the needs of our clients, including their demand for operational excellence and a competitive edge without incurring the overhead of large consulting firms. To talk with the principals of Makarios and to transform your organization, call us at 610-380-8735, or email Doug Johnson at johnsond@mc-llc.com, Rip Tilden at riptilden@mc-llc.com, or Tim Thomas at thomast@mc-llc.com.

About Makarios

Makarios Consulting is a full-service management consulting firm. We work with business owners and entrepreneurs who want to grow their companies and execute more effectively every day. Our unique set of management disciplines and tools helps clients refine their business strategy, improve their operating performance, and build healthy leadership teams. Clarity and accountability provide our clients with the traction to outperform their competitors – every week, every month, every quarter. To find out more, please visit www.MakariosConsulting.com.

