Rebuilding your business after a tough season

Description

Rebuilding your business after a tough season is a staple of entrepreneurship. While not all tough seasons will leave your business on its proverbial knees, some form of rebuilding will be necessary.

Whether you lost clients, revenue dropped, or you lost some great employees, youâ??ll need to get back to your A game. It may not always be because of shortcomings on your part.

We recently went through a global pandemic that was catastrophic for the business landscape. There are many more life events beyond your control that could negatively affect your business.

So, even with the best-laid plans, you may have to overcome some challenges. As such, learning to rebuild your business after tough seasons is an essential skill.

Itâ??s important to note that we are not talking about the seasonality of business here. Every business is bound to have periods where revenue or demand is low. Say, for example, ice cream sales slowing down in the winter months.

Rather, here we will be looking at external forces that cannot be planned for that threaten the very survival of your business.

So, whatever you may have experienced that negatively impacted your business, letâ??s look at some strategies for recovery.

Stay resolute

The first thing to do in a crisis is to keep your fighting spirit. This is usually the first thing to go when tough times roll around. Because itâ??s easy to overlook your resilience during the good times, itâ??s easy to overlook how important it is.

Entrepreneurship is a game of courage! As entrepreneurs, itâ??s part of the job description to wake up every day and overcome tough odds. This may go a long way to explain the high levels of poor mental health among entrepreneurs.

Simply put, entrepreneurship requires a lot of resolution and a very strong centre. This is most important when the chips are down. Without the ability to keep your head up in tough times, itâ??s unlikely youâ??ll recover.

So thatâ??s the absolute starting point, rally your strength of character. Identify all the positives you have at that point, and remind yourself it can be done. Tap into all your motivational sources.

Juice up on all the good feels you possibly can, youâ??ll need them. But motivation alone is hardly enough during tough times, often times itâ??ll take discipline. So in addition to hoarding endorphins, give yourself mantras for discipline.

Make a solid plan of how you are going to push yourself to do what needs to be done even on days when you donâ??t want to.

And all you have to do now is cycle through the feel-good fuel or the staunch discipline you have set for yourself, and youâ??ll navigate what you are going through.

Analyse, Analyse, Analyse

Itâ??s near impossible to solve a problem you donâ??t fully understand. Just like you canâ??t achieve much working in the dark, solving a problem you donâ??t understand is at best an exercise in chance.

And as you may know, at Mut-Con we donâ??t believe in taking chances, we believe in informed decisions. This informs our philosophy of applying data and analytics to everything a business does.

Ideally, you already have an analytics framework in place for your decision-making. It need not be anything complex, you could possibly have it in place already without knowing it. If you do have one, itâ??s important to adapt it to the challenge at hand.

If not, you will need to develop one to better enable yourself to tackle the challenge at hand.

Your framework needs to help you understand what, how, when, and, then what.

1. What â?? clearly identify the problem you are facing in a quantifiable way. Are you failing to collect invoices? Did you see a drop in revenue? Is the staff turnover a bit too high?
2. How â?? how exactly did this happen? Create a timeline of the set of events leading to these challenges.
3. When- speaking of timelines, get a clear understanding of when all this started, how long it might last and how long you think itâ??ll take to get back to some semblance of normalcy.
4. Then what â?? what needs to be done? Once you get an intimate understanding of the problem, what needs to be done to help you craft a solution?

Once you know what to look for, you can start looking for the data that can answer questions. Your business naturally generates a lot of data on its operations on a daily basis. With a good analysis of this data, you can not only improve business performance across the board but also bounce back from tough times.

Whether the problem is operational, financial, market, competitive or anything else, a good analysis will help identify it.

Revisit your plans

Once you have clearly identified the problem, a good place to start solving it is to revisit your plans. We never get tired of praising the benefits of a business plan at Mut-Con. At times like this, its importance shines brightest.

Your identified problem is likely to be aligned with one of 2 problems. First, itâ??s possible that you ignored your plans, and while this worked for a while when new circumstances were introduced, the centre couldnâ??t hold.

Or secondly, you stuck too closely to your plans without flexibility and your business was never robust enough to survive in a new environment. In either case, revising your plans helps you come up with a solution.

Look at your business plan in the short, medium and long term and compare it to the data on hand. Once you have an understanding of the relationship between the challenges you have identified and how you set out to run your business, you can start to develop solutions.

Revisiting past plans is never easy in the face of failure for an entrepreneur. It can easily become an exercise in self-blame and regret, but thatâ??s not the point of this exercise.

On the contrary, the point is to understand what works and move the business forward with a stronger strategy for success. Accountability is an important part of business management and entrepreneurship, especially when things donâ??t go to plan.

Make new plans

Business plans need to be robust. You should regularly revise your short, medium and long-term goals to reflect whatâ??s happening on the ground. This is the key to managing any challenges your business may face.

These challenges include competitive pressures, market changes, economic cycles, evolving customer preferences and more. And while new plans need to be constantly brought to the business, they are most important when rebuilding after a tough time.

Itâ??s unlikely that anything will change without any effort on your part, so you need to plan this effort. Rushing in to solve problems without thinking through a strategy will more often than not cause more problems.

Because you have now identified the problem and you can compare it to previous plans, itâ??s easier to craft a new strategy. Where a problem arose because you failed to adopt your plans, itâ??s important to update your plans for your new environment and start working on incorporating them into the business.

Conversely, if you have stuck too closely to your original plans and this is bringing you problems, then you may need to generate some new ideas and move forward with those in the business.

Business planning can be a bit tough. It may be important to start with small, bite-sized chunks you can manage. Thatâ??s why we have created a lean business plan and built an easy-to-follow lean business plan template to get you started.

The lean business plan framework combined with our template will help you to quickly start putting ideas down.

Once you get started the process becomes a little easier. As with a lot of things in life, getting started is the difficult part.

Donâ??t be afraid to try

Victory in life comes from execution. Even the best-laid plans in life are futile if they remain as just plans. Once you are done planning, you need to act on those plans to find success. Sometimes you may even need to plan and act concurrently.

The challenge though is acting can be a huge ask during difficult times. Especially for entrepreneurs. Your entrepreneurial journey is already a tough one during the best of times.

Itâ??s filled with daunting tasks, unfamiliar territories, daily challenges, failure at every corner, constant change and the general feeling of constantly venturing into the unknown.

At the worst of times, this is amped up to eleven. Not only are these challenges more frequent and more complex, but you are also tackling them at a low point.

Even the most confident among us would struggle when things donâ??t go according to plan. As such, it can be near impossible to act. So itâ??s important that we emphasise action.

Donâ??t be afraid to try. Donâ??t over-guess, donâ??t overthink. On a daily basis, wake up, look at the plan and execute it.

At your low points, tap into that motivation you stored up and itâ??ll keep you going. When even that fails, itâ??s time to draw from your strength of character and let discipline see you through.

Reach out to your best clients

When you provide an amazing service, your clients want you to stay around forever. Think of your favourite restaurant, shoe, or car, how does the thought of not having them around make you feel?

You likely feel invested to make sure they stick around. Your business probably has clients who feel the same way about your brand. So when you go through tough times, reach out to them.

Are they buying less? Have you noticed they take longer to pay back their invoices? If your analysis unearthed clients as a possible source of challenges, then engage them. Raise these issues with them and you could find a solution that helps you move forward.

Even when the problem isnâ??t directly linked to your clients, they could still be willing to chip in to help. Your best clients could also be willing to re-engage if they havenâ??t purchased your services or products for a while.

They could even refer your business to their own networks, and that could be the spark that sets off the recovery. This is why entrepreneurs need to consistently build a brand associated with value.

When clients think of your brand, they should immediately associate it with the positive impact itâ??s had on them. When you achieve this, you build an invaluable partner for the recovery of your brand through anything.

Lean on your team

A common mistake among businesses is to look at employees as a cost centre to manage as opposed to a resource to be leveraged when rebuilding a business. When a business struggles, employees can determine whether or not this is permanent or recovery is feasible.

Trying to cut costs by implementing misinformed layoffs and similar tactics will do more harm than good. Firstly, when the rumour mill starts spinning, you will lose your best talent that was probably already being scouted by the competition.

Secondly, those who stay behind will probably assume the worst and become demotivated to do anything to help you. Instead, collaborate with your employees, and look at acceptable cost-cutting measures that would allow the largest possible part of the team to retain their jobs.

Even when layoffs are necessary, do them in a transparent systematic process that a rational person would understand. You cannot, for example, preach austerity and cost-cutting leading to layoffs while upper management continues to enjoy perks they can clearly live without.

Perhaps more importantly, implement a system of intrapreneurship. This is best implemented before you reach the tough times but can work just as well when rebuilding your business.

Build a culture where employees take responsibility for the business and share in its vision, mission, and goals. Allow them to innovate and bring unique solutions to challenges faced by the business.

They are, after all on the front lines and are in the best position to bring these solutions. When you consistently make employees a part of your vision and foster entrepreneurship, you can lean on them during tough times.

If you havenâ??t already, make sure intrapreneurship is a thriving culture within your business.

Donâ??t forget the free stuff

We have a series on free business resources. The series aims to look at learning resources, business information, business tools and business apps that can greatly enhance your business that you can access for free.

These can be serious game-changers during challenging times. Reducing costs is an essential part of a business recovery strategy and nothing gets more low cost than a free item. And despite being free, these resources are not necessarily sub-standard.

For starters, you can access some form of a free version of some of the best free apps used by the largest brands around the world. And more often than not, these will adequately meet the needs of a small struggling business.

Look at your business and identify every area that could benefit from the injection of some free resources. This can mean moving from paid versions of what you are using. You can for example give up your paid Office 365 subscription for a free office suite like Libre office.

This could also mean exploring new free efforts you had never considered. If, for example, you have depended on paid advertising, consider free options available to you, like organic social media.

While some of these efforts may seem insignificant in light of the insurmountable challenges you are facing, they will add up and ultimately, the solution, or a huge part of the solution that saves you may be the result of these small efforts.

Ask for help when rebuilding your business

Entrepreneurship is often a lonely journey, but it doesnâ??t need to be. Both in the professional and personal lives of entrepreneurs, there are always stakeholders invested in their success if entrepreneurs could just reach out and ask for help.

These stakeholders are important resources for entrepreneurs during recovery journeys. Start by looking at the network you have built. What kind of assistance can you ask for?

Not all help needs to be financial. Can you ask for an extension on payments or an advance of raw materials from your suppliers? Can your landlord hold off on rent a little longer? Talk to your financial institution about getting some cash flow relief.

Reach out to your entrepreneurial network, what kind of help do they have? If you donâ??t currently have one, now is the time to start building it. Network, attend business events, interact on social media, offer help to those who need it, and just build a tribe of fellow entrepreneurs.

They donâ??t just benefit you during tough times but good ones as well. At Mut-Con, we have expanded our market partly because of a network of fellow entrepreneurs who believe in our work and what we do. And they have definitely been invaluable in a bind or 2.

Extend your quest for help to your personal life as well. Not only can the people around you pitch in with funds, time, and skills you need to recover, but they can also offer the kind of help you canâ??t get in your professional circles.

They can help motivate you and lift you up even when your own motivation and discipline fail. Sometimes all you need is a sounding board.

And just talking to a spouse, friend, parent or sibling can make a huge difference.

Rebuild your business, donâ??t repair

Tough times offer a great opportunity for your business, and thatâ??s the opportunity to rebuild your business. And while you could always just repair your business, that is fix what was not working and move on, rebuilding your business is an opportunity to implement new structures from the ground up.

While this may seem like too much work or even overkill, itâ??s important because structures are interrelated in a business. Itâ??s rare to find an element of your business that can be misfiring while everything else is working just fine.

Rebuilding helps you work across all the areas of your business that may also need taking care of. At this point, you may need to go back to the analysing and planning stage. First, expand your analysis to go beyond just the current challenges.

What else do you see in your business that could use improvement? Next, expand your plan and include ways to improve in these areas. After all, ignoring these factors now could just mean having to deal with them later down the road. And thatâ??s not progress.

After a significant change to your business environment, what usually follows is a new reality. The act of rebuilding your business is acceptance and growth in this new reality.

Set realistic expectations for recovery

The last thing you need when you are going through a rough time is additional pressure. An overwhelmed mind cannot achieve much. We seldom realise just how much pressure we endure that is internal.

Itâ??s one thing to aim high, itâ??s another to set nearly impossible goals that lead to performance paralysis. As bad as this is at any given time, itâ??ll be even more detrimental when you are trying to get the train back on the tracks.

Patience is key during this journey. Realistically look at everything that needs to be done and allocate the time needed to do it. An appropriate amount of time. Also, recognise that itâ??s not all within your own efforts to help your business recover.

There will always be external factors, and you will need to take these factors into account. You will need to factor them into your plans and you will need to consider them when setting expectations.

Say, for example, you need to approach your bank for funding. They have their own time for execution, and itâ??s not within you to speed up the process.

You will need to wait it out. Overlooking this will just cause unnecessary frustration when this seemingly becomes a bottleneck in your recovery plans.

However, if you adequately account for this, you can still smoothly implement your strategy despite these delays.

In conclusion

Businesses, economies and indeed life itself are cyclical. You will without a doubt find yourself in a number of peaks and troughs throughout your entrepreneurial career.

While we all enjoy riding the peak, great entrepreneurial journeys are defined by how you ride out the troughs.

And as such, learning to rebuild after a tough season is an essential business skill. Letâ??s hope a few of these tips helped out.

And we surely would like to hear your own strategies for bouncing back bigger and better.

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