

Britain finally out of recession

Jean Pousson looks back at the worst economic crisis since The South Sea Bubble.

It is early 2011 and economic indicators finally confirm that Britain is technically out of economic recession. Still basking from England winning the FIFA Football World Cup in South Africa and an unlikely win at the Eurovision song contest, the feelgood factor is now spreading to businesses that finally can look ahead with a renewed sense of optimism so lacking in the previous two years.

Ok back to reality!

But seriously. I would like you to project ahead to early 2011. What will your thoughts be as you reflect on the last two years?

- How did you cope as an organisation? Is your business model still relevant?
- Were the principles of good governance upheld?
- Did you constantly review the strategy or did cost cutting become the strategy?
- Did you ensure that your source of competitive advantage was never eroded?
- Did you look ahead to the competitive landscape beyond the recession?
- How did you manage the redundancies?
- Did you keep your good people? How will you reward loyalty?
- Were your bankers kept informed and up to date at all times?
- Were you satisfied about the efficiency of your financial controls?
- What was your biggest crisis? How did you handle it?
- Were decisions taken rationally and not in panic?
- How did you communicate with your customers, suppliers and staff?
- Is your brand still intact?
- What mistakes did you make? What have you learnt?
- Was health and safety ever compromised?

- How would you assess the performance of the Board during that time?
- Was your risk assessment helpful and correct?
- Do your suppliers still trust you?

Mike Tyson, the boxer, once famously said that plan a works until you get hit in the face! Then all hell breaks loose! Organisations must therefore ensure that in these difficult times all hell does not break loose. Sure, a number of assumptions will have to be revisited, the key success factors have changed a bit, and we are faced with a situation where everyone seems to have pressed the pause button. But many principles of business still remain. Credit crunch or no credit crunch the Companies Act 2006 has not changed the principle that Directors are duty bound to promote the success of the company, while exercising due care and diligence.

So do give thoughts to that Board meeting early in 2011 to ensure that the organisation, the Board, the management and the staff can hold their heads high in the full knowledge that despite taking a few punches, the judges scorecards is unanimous in your favour. And doesn't the future look good?