

Business Design vs. Recession: Crisis or Opportunity?

Barbara Davis

Recession Trends:

- ✓ ***Follow shifts in expanding localization***
- ✓ ***Economic housekeeping***
- ✓ ***Increased corporate accountability***
- ✓ ***Expanded awareness***
- ✓ ***Increased interconnections***

Lessons in the Natural World

Around the turn of the last century, there were so many Passenger Pigeons in North America, that the sky was often black with them. Thanks to our own over-indulgence and a lack of understanding about the need for ongoing holistic resource planning, the last known Passenger Pigeon died in 1914. This was such a pivotal moment in our history, that it forever changed the way in which we see the natural world.

Today we are undergoing a major transformation to the way in which we do business. It is clear that the lessons we learned from the extinction of an entire species of bird did not translate over into the world of business very well. All of that is about to change - it has to. It has to change because of the eroding natural world around us and the current economic crisis that we find ourselves in.

Historical Examples

Traditionally, the life cycle of any business is driven by the laws of supply and demand. This means that if consumer needs it, we compete to supply it. Our over-indulgence and desire to consume has led to increasing debt and has in fact caused the current economic recession. While it is true that everything in life has a cycle, and business is no different. Major recessions come along less frequently than the minor ones we experience as part of life every decade or so, but they are a part of a cycle, and we do recover. If history is any example, we recover and even improve our quality of life as a result.

Case in point: look at the many great abandoned civilizations there are across the globe such as the Aztecs, the Mayans, the Egyptians, the Greeks and the Romans. As we sit and ponder what could have caused the Mayan and Aztec peoples to abandon their cities, we look for disease or natural disaster. What about man-made economic disasters such as recessions?

Shifting Localization

Certainly recessions are not unique to modern day society. There is however a pattern. It seems an unlikely pattern and unless you look at the correlation between the convergence of cultural groups and recessions, you might miss it. After the last great recession, we saw business soar and shift into a more global economic model.

From one perspective, recessions weed out the unstable business and enable the more secure and well designed businesses to thrive and expand.

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Opportunistic and well designed business will take over the gaps left by the businesses that flounder and eventually succumb to the recession as economic road-kill.

This is because recessions force businesses to react and to reduce the bottom lines where and when they can. As a result, organizations are striving to improve the effectiveness of their core business engines through blue printing, scaling back activities in efforts to apply lean management, reducing roles from their workforce in an attempt to flatten the organization, and 'bootstrapping' by extending the life and uses of existing tools in the environment (in the same way that many consumers have decided they don't need the new car in spite of the condition of the old one).

Reactive vs. Proactive

This approach is really still reactive. We know for a fact, that the last Passenger Pigeon died in 1914, because by the time we reacted to save the species from extinction it was too little, too late. She was penned in an apiary and with no viable management or mating program in place, and she simply died quietly.

The most proactive approach would have been to manage the species all along, and when their numbers dwindled, breed them to ensure their survival. Likewise, the best approach to business management in this business environment is to stop and become proactive - to take the time re-assess our situation, transform our overall business design and management techniques. Both of which, are beyond blue-printing, lean management, mass lay-offs and increasing the demand on existing tools.

To be clear, the goal is to become proactive and not simply write off the current solutions or to retain a die-hard attitude because of the investment in a given solution. Unfortunately, this can be difficult to consider and achieve in the economic climate, because of the escalation of the level of commitment to the solutions we have chosen and the immense pressure created by that climate.

Reactive and Proactive

In order to facilitate the proactive approach, we must define robust business designs and mature the methods and modes of delivery of that organization. This means that intelligent business design must include elements of all of the individual solutions in order to find the best-rounded foundation. In spite of this, we tend to opt for one of the solutions and focus our energies on implementing it "quid pro quo".

It must include a blending of multiple solution elements because the impacts to

Tips & Tricks:

- ❖ *Plan for the future but live in the present*
- ❖ *Utilize multiple tools*
- ❖ *Evangelizing 1 tool can cripple your efforts*

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the supply and demand ratio affect every aspect of the organization. It is about defining business life cycle models that incorporate elements of strategic scenario planning, blue printing, lean management and collaboration into the overall business model and corporate culture.

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