

5 Steps to Business Recovery after Covid-19

There is currently an abundance of advice available about how your business should attempt to recover from the downturn in sales that you have probably experienced over the last few months. The amount of advice offered isn't just because advisers, mentors and interim managers want/need the work – and that's normal – but also because so many people want to help in times of need. However, what it leads to is an over-abundance of advice, much of it quite different.

We believe that the best advice is to give you the information that leads you to look at the larger picture – where you started, where you are now and to where you wish to take your business. We think that if you manage to Benchmark your company, against your own performance and achievements in the past and also against competitors, you will gain a competitive advantage.

STEP 1 – Identify exactly what your company has done in the past, in comparison to what it does now. This may seem like common-sense, but so many business owners don't analyse just why they have changed the way they work or the way they interact with customers. Some couldn't tell you why they chose a particular system or an app, other than to say someone suggested it. Look at Why you changed and then at What difference it has made. This will give you the **baseline for Benchmarking** against your own performance.

Remember to look at Finance, People and Process as these three key elements of your business are the building blocks for the future. Yes, you may have property, you may have massively saleable and unique Intellectual Property, or stock that is high in demand at this moment (i.e. PPE), but the right Finance, People and Process will always either make or break you.

STEP 2 – Document thoroughly what you do now, in terms of process, finance and people – so basically who you employ and why, how you manage them in the business, how your management of key business information affects your finances, so their effect on cashflow, P&L and investment ability (how much money you have spare to invest in your business at any time), how much time you spend on managing and fixing internal processes, etc. Measure what has changed since the previous year, or even before that. Document this and add to your information record. Now compare this information properly with the information you gathered in **Step 1**, including different possible scenarios. You have now **Benchmarked against your own performance**, at least to give you a starting point and a chance to do the real benchmarking.

The key to undertaking this exercise is to record as much as you can from day one. Now, that sounds easy but what about looking back, where you probably haven't recorded a lot of what you now want to record? Just take a little time to reflect on the key milestones you have achieved over the last 12 months and write them down. Now measure how far you've come in those areas related to the milestones and write that down. Then perhaps some of the achievements you don't class as achievements might spring to mind and prompt you to add them too (i.e. a greater social media presence – that's always a great start when it comes to looking at your target audience / markets). Given the current unprecedented situation, it would be prudent to assess need against staff numbers and stock and potential sales against expectations for at least the next 6 months.

STEP 3 – Now the exciting bit, despite whether this exercise uncovers some great or poor ways of working. Begin with researching similar businesses to yours. If you have previously completed a

Competitor Analysis (essential) then use it as a starting point. Even better is to compare that information with what you can find out about those companies' performance and growth. If you didn't complete such an analysis, don't worry, you can do one now. Just look at the information you prepared, to measure your own business success and changes and apply it to what you can find out about your competitors. Then compare the information about your own progress, growth and change to that of your competitors of a similar size. You have now begun to **Benchmark against similar companies**.

This is tricky; I won't hide that fact. You can do a lot of this yourself, with some hard work and an understanding of research techniques and of course a good understanding of your products and customers, but you will probably need some help at some point, from someone skilled in research and evaluation. How you go about this is up to you; it's the kind of thing we do for a living, but it's not for everyone! However, once you get the right mechanism for the research, the evaluation of your company against others' does come slightly easier; by then you will know how to compare apples with apples, so you will know what you want to compare, regarding competitors' businesses.

STEP 4 – Don't expect amazing ideas for growth to come out of the previous exercises! Yes, you've made a great start and you now have useful management information about your own business and your competitors, but most will only have grown a little, or stayed the same, or even shrunk. At another time, we will cover **Turnover vs Profitability** as these are very different mechanisms for evaluation and when you come to sell a business, you will see that! Now look at companies in the same or similar business-space as you but which are much larger; they may have done things differently; they may have taken on investment to grow - there may be many reasons. Study just what they did to get to the stage that you wish your own company to reach; see if they offered a different staff experience, or if they used Venture Capital, or whether they achieved growth through a single "Golden" product or service. Compare what you currently do with what they did to grow. You are now **Benchmarking against Growth Competitors**.

Use the tools you have developed at Step 3 and apply them when looking at those companies with a size and profitability which you admire and aspire to. Adjust your business plan to include new ways of working and perhaps new markets or products; make sure that your staff teams are effective and matched to the business need for future growth. Check that your profitability is as high as others who have demonstrated excellent growth and if not, look at ways to improve this – again you may need help here, but work out what you can afford and take strategic advice where needed.

STEP 5 – Look at all your data; what is it telling you? Are those great ideas for growth now starting to emerge? Have your aspirations changed, or remained the same? Do you have a clearer view of the future? You can ask yourself more relevant questions now about your business direction and in particular, if you are looking for an Exit in a few years, you can really now begin to create that Exit Strategy, based on sound Benchmarking data, in sync with the markets, your competitors and your aspirations. Record the measurement of your information in a way that you can retrieve and use it instantly. **Make those changes in Finance, People and Process** that you have identified as necessary for growth. Seek help if required, or just to get an external view of where you are and where you need to make changes to get to your destination.

Why don't you try our new FREE Diagnostic Tool today, to see how your business is performing; our new brochure is also downloadable from the same page!

<https://phoenix-consult.co.uk/diagnostic/>

Please don't hesitate to contact us for a no-obligation chat or for further information on **0333 577 2297** or at contact@phoenix-consult.co.uk