



Creating Your Playbook for Success After a Black Swan Event

By David Searns

I “It won’t happen here.”

“I just hope everyone (else) will be alright.”

“This can’t be real.”

“What am I going to do?”

We didn’t see this coming. Just a few months ago, most of us had never even heard of COVID-19. Now, we’re faced with unprecedented health and economic challenges. And an uncertain future.

There’s no playbook for a black swan event.

If yours is one of the fortunate few niches whose business is positively impacted by this crisis, count your blessings. But if not...

Now is not the time for fear or panic.

It’s not time to slash prices in a desperate attempt to keep sales.

It’s not time to hunker down and wait for the storm to pass.

It’s time to create your playbook for success – and make this recession “the other guy’s problem.”

Looking for strategies to recession-proof your staffing company?

Over the years, *Harvard Business Review* has published amazing content on how to weather a recession. While not created specifically for the staffing industry, HBR's articles contain excellent advice to help your company manage the challenges we currently face.

Below are key takeaways from two of HBR's best recession strategy articles published since the Great Recession – and how to apply them to your staffing or recruiting agency:

Takeaways from “How to Survive a Recession and Thrive Afterward”

De-leverage before a downturn. Rule #1: Don't run out of money!

Because a recession usually brings lower sales and, therefore, less cash to fund operations, surviving a downturn requires deft financial management.

- Restructure your debt to get lower interest rates.
- Turn to a funding company or bank to get capital to keep your business running.

Focus on decision making.

- Making tough decisions should be centralized (i.e., handled by senior leaders).
- Decentralized is best for fast response (i.e., put real-time decision-making where the expertise lies: in local managers' hands).

Look beyond layoffs.

While some layoffs are inevitable, they aren't the only – or best – way to cut costs.

- Cutting costs via operational improvements leads to faster recovery.
- Furloughs, hour reductions, and performance-based pay also help control labor costs

Invest in technology.

Look for tech that helps you become more transparent, flexible and efficient, or that lowers your cost of service.

Takeaways from “Roaring Out of a Recession”

Don't be too defensive.

- Slash-and-burn, crisis-mode thinking may cut costs short term, but it also hinders recovery.
- **Fact:** Defensive companies achieve just *half the post-recession growth* and *one-tenth the profitability* of top performers.

Don't be too aggressive.

- Organizations that are too optimistic and opportunistic may miss important warning signs – and be blindsided by poor financial results.

- **Fact:** Post-recession (if they even survive), promotion-focused companies' sales and earnings may rise faster, but they realize *only 60% of the sales growth* and *one-fifth the profitability increase* of the top performers.

Strike an optimal balance: Become a progressive company.

- Examine every aspect of your business model. How can you do things differently: better, faster, more cost-effectively?
- Reduce costs permanently through process improvement.
- Invest to develop new markets and enlarge your assets.
- Increase spending on R&D and marketing.

Looking for more advice to thrive in this uncertain economy

Download our eBook, "[Strategies for a Changed World: Creating Your Playbook for Success](#)." Combining advice from third-party experts like HBR as well as our team, you'll find dozens of ideas your staffing firm can use to survive this downturn – and come out the other side even stronger. – way to cut costs.