



India's Most Influential Business and Economy Magazine - A [Home](#) | [Editorial](#) | [Chief Executive Forum](#) | [Media Kit](#) | [Subscribe](#)
 Planman Media Initiative | [Contact Us](#) | [Feedback](#) | [Calendar-2008](#)

Search By

Welcome

Other Sections

- [Home](#)
- [Special Feature](#)
- [Press Releases](#)
- [Finance](#)
- [Scrutiny](#)
- [Policy](#)
- [BE Corporation](#)
- [Panache](#)
- [Columnist](#)
- [Keyterms](#)

Cover Story

B&E

Don't miss the light at the end of the tunnel!

Extensive focus on cost cutting will not be enough for businesses in these times



The worst global recession in a generation appears to be slowly winding down. While a full recovery would appear to be at least a year away, businesses are cautiously looking for "green shoots" – available opportunities to grow once again. Maintaining profitability in these very trying times has lately been more about subtraction of costs rather than adding

value through increased customer satisfaction. To achieve and increase levels of growth and profitability in the current environment will require a focus on four key aspects:

conserving cash but jumping on new opportunities

The still recessionary marketplace we are in demands that businesses closely monitor and conserve their cash flow. You cannot prepare for the future if you are stuck with enormous debt or non-performing assets. But a strictly defensive posture will lead to few long term benefits for the company.

Businesses that have adequate cash on hand must also spot opportunities to take market share from distressed competitors and/or quickly adjust to new trends in an ever-changing marketplace. This puts a premium on strategic thinking. Profitable firms will have a "game plan" to position themselves for the new realities they face.

retaining and attracting skilled and talented employees

A business can only go so far in its ability to remain profitable by cutting costs. The most foolish thing that can be done is to let skilled and talented personnel leave at precisely the moment when they are most needed. New opportunities cannot be undertaken if you are without retaining the key personnel needed to make things work. Taking stock of the in-house talent you have and aggressively recruiting skilled workers who may now be available is an important way to position oneself for greater profitability.

an understanding of your customers' needs

It goes without saying that a business is only as good as its ability to serve its existing customers. The enduring power of building good customer relationships can allow business to weather the economic storms with "partners" that are interested in your ability to service them effectively. Staying close to your customers by understanding their changing requirements has never been more essential than now. Conversely, "poor customer care" can rob your business of its most important underpinning. A silver lining in the recent economic storms is the potential to gain new customers that are now in need of your potential product offerings. Having a mix of old and new customers will sustain business profitability in slow to recover markets.

utilizing innovative thinking

A business model of profitability that is stuck in the past will be unable to move to a better tomorrow. Innovative thinking of ones businesses processes, key customer base and product offerings will allow for a reorientation to changing times. The "new normal" will most likely mean a shakeout of firms that are unable to adjust to new realities. The old rules of profitability predicated on branding and supply chain fulfillment are swiftly changing in a much more uncertain economic environment to a make to order (MTO) format where rapidly changing demands put a premium on responsiveness. Innovative thinking that extends to every part of the business model will enable the firm to develop profitable and sustainable methods and to also adjust to new modes of business operation in the industry.

Maintaining profitability is never simple. It requires businesses to focus continually on how they make their money and what they can do to increase their market. In a highly uncertain economic environment (like the current one) this becomes vastly more complex. Businesses that succeed in tightly focusing on market opportunities will be the thriving companies going forward in an economic recovery. My hope is that your firm will be one of the success stories within the new economic reality.

Vipin Gupta

[Home](#) | [Editorial](#) | [Chief Executive Forum](#) | [Media Kit](#) | [Subscribe](#) | [Contact Us](#) | [Feedback](#)

Business & Economy is also associated with :

[IIPM](#) | [Arindam Chaudhuri](#) | [4Ps Business & Marketing](#) | [The Sunday Indian](#) | [Indian PC Magazine](#) | [The Human Factor](#) | [Kkooljobs](#) | [Planman Consulting](#) | [Planman Marcom](#) | [Planman Technologies](#) | [Planman Financial](#) | [Planman Motion Pictures](#) | [Planman Media](#) | [GIDF](#) | [The Daily Indian](#) | [IIPM Think Tank](#)

©Copyright 2008, Planman Media Pvt. Ltd. An Arindam Chaudhuri Initiative. With Intellectual Support from IIPM & Malay Chaudhuri.