

## “Strategies for the downturn”

For many businesses, the current economic environment will challenge their very survival. For others the crisis offers the chance to extend their lead over the competition. High performing companies will now be looking at ways to strengthen their position and emerge from the downturn in a stronger and better position.

In the current highly networked economy it is simply not enough to understand what effect the downturn will be on demand for products and services.

Commenting, Gerald Irwin of Sutton Coldfield based licensed insolvency practitioners, Irwin & Company said, “Over the past few years businesses have been encouraged to take on high levels of debt. Now is the time to preserve cash at all costs. Now is the time to streamline and simplify business models. Anticipating future needs can also help to establish strong customer loyalty and a sound base for future growth.”

Some businesses are in the fortunate position of having surplus cash or access to financing. In these cases the downturn provides an opportunity for them to pick up new assets or capabilities at attractive prices. Naturally there are arguments for waiting until asset values fall even further but the best assets will come onto the market early.

“The largest and most financially secure companies are the most likely to use the downturn in order to consolidate their position through acquisitions at attractive prices,” added Gerald.