

6 Steps to Becoming a Recession-Proof

Pt. 1

The future economic forecast is looking unpredictable. You might be thinking, "What's new?" The fact of the matter is that there is *always* uncertainty. 2008 caught millions of people off-guard in a matter of days. It isn't about pulling back away from this uncertainty, though. It's about heading towards it with armor on — your business's economic armor — the kit you probably knew you needed but might not yet have.

Your business's armor is essential to its success. Sure, you can go through a few years without it, but you're just counting on sheer luck here to get through. And just like you cover yourself from head to toe before you go into battle, your business needs to be covered back to front as well. If you haven't experienced a downturn in business from economic collapse, you might have not ever really considered this. So, what does a recession-proof look like? Let's build your armor together.

1. Your helmet: The financial deep dive Starting off, let's get your head covered. Walking around without knowing your finances is like heading into battle without a helmet.

Your financial books aren't just for your accountants. They're your reality check. Block out those critical three to five hours as the year draws to a close. Scrutinize every nook and cranny of your expenses. Which subscriptions are merely sapping resources without yielding returns? If multinational giants are meticulously trimming their operational fat, there's a cue for you.

How to put your helmet on: This isn't about shrinking your team size; it's about eliminating redundancy. Optimization is the key. Analyze your subscriptions, third-party services, and extra expenses. I can guarantee there is an area right now that you can tighten up.

2. Your sword: The sacred 10% profit mantra Next, you want to build your sword — something you have with you that you can use when in battle to fight back with.

Make the 10% profit mantra a non-negotiable. Every dollar that comes in, immediately set aside 10% as profit. Establishing a separate "Profit" account is a game-changer. This discipline reshapes your financial perspective. It makes you solve your financial needs using your 90% by getting creative and cutting the fat (step 1). But it also means you have a financial nest to use whenever you need it most. And this is your greatest weapon.

How to build your sword: Make a new business account called "Profit." Have your accountant (or yourself if you handle your company's finances) set aside 10% of the business income into this account on a designated basis (weekly/fortnightly). Watch it grow.

3. Your breastplate: Bolstering your reserves Where you could be hit the hardest, you would want a lot of buffer to take the punch. This is where your financial breastplate comes in.

Revision your reserves. We've entered an era where the unexpected is the new norm. Those three-month reserves? They're baseline. Challenge yourself. Can you push it to six months? Or why stop there? Aim for a year. By stashing away this nest egg and perhaps even parking it in high-yield savings accounts (some dole out a sweet 4-5%!), you're not just cushioning your business but preparing it to soar post-crisis.

How to build your breastplate: Use your financial review (step 1) to see where you can add more from where you have removed unnecessary costs. Get critical. Ask your financial advisors for help here, they can probably see where you can cut in order to start gaining.

Facing a recession is as much a test of your mettle as a leader as it is of your business's robustness. It's a clarion call to think deeper, act smarter and lead with a vision. With the battle armor we have built for your business together, you can think, act and lead AHEAD of time. You have now taken back your control in the face of uncertainty. You're bulletproof. Economic downturn? Ha! More like "Bring it on, world!" You've got this.

