# 9 Smart Ways to Recession-Proof Your Business (Fast)



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If the COVID-19 pandemic has taught us anything, it's that a devastating economic recession can happen at any time. Does your business have what it takes to weather the storm? Are you recession-proof?

This is the question I had to ask myself throughout recent months. I'm the Managing Director of Bubblegum Casting, the longest-running talent agency in Australia specializing in babies, children and teen talent in Australia. My business works with some of Australia's biggest brands, media properties and agencies.

Despite our reputation, I found that I needed to take many

steps to adjust to the pandemic’s recession. Not only has Bubblegum Casting continued to press on, but we’re stronger today than we were before COVID-19. Here’s how you can follow in our footsteps.

## How to Recession-Proof Your Business Now

Recession proofing your business isn’t just a matter of stockpiling cash for a rainy day. There are many steps you can take to keep your business strong no matter what the future holds.

## 1. Rethink Your Team

Sometimes as your business grows, you add team members as needed but you don’t think about the big picture. Is your staff running in an efficient way?

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Take a look at how you structure your team’s responsibilities and reporting structure. You might even notice that you can cut back on the hours you need.

## 2. Invest in Adaptable Technology

One of the most critical steps my team took is to prepare for video auditions instead of in-person auditions. This let us continue on with our business efficiently, despite the unexpected circumstances of the pandemic.

Before an actual need arises, think about ways you can use technology to streamline your business. Maybe there’s a tool you could use to complete your projects for a lower cost or with less labor.

It depends on your business and your service or product. Regardless, though, now is the time to invest in technology that makes your work easier.

## 3. Make Development a Priority

When business is strong, too many companies ease off their business development plans. If you do this, you're setting yourself up for a fall.

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Business development lays the groundwork for future sales. Set appointments in your schedule for time to network, brainstorm new strategies, and so on.

## 4. Create an Action Plan

What do you do when business is slow? Do you twiddle your thumbs and wait for it to pick back up because you aren't sure what else to do? If so, you're not alone.

The problem is that most companies wait until their business is suffering before they try to find ideas to help the business. Instead, you need to create a plan in advance.

Make a list of concrete tasks you should do any time your business slows down. This could include investigating new product ideas, getting in touch with your contacts, marketing to your most loyal customers, and so on.

This way, if the need arises, you'll have a clear to-do list so you can get moving right away.

## 5. Stay in Continuous Contact

Your marketing and advertising shouldn’t focus on reaching out to new customers alone. Did you know on average, 80% of your profits will come from 20% of your customer base?

You need marketing strategies that continuously nurture your relationship with your customers. Keep your business on their minds so they’ll keep coming back.

Email marketing is a common option, sending newsletters and e-blasts to your subscriber list on a regular basis. In some cases, direct mail is a successful choice too.

## 6. Track Your Marketing

Speaking of marketing, let’s talk about your marketing budget. One of the most common mistakes is to cut your marketing budget when you’re in a recession. A downturn is a time when your marketing is most important because you need to bring in new business.

While you should never cut out marketing entirely, there may be times when you need to reduce the budget. To do this correctly, you need a long history of data.

Track the data for all your campaigns to see which strategies and messages are most successful. If you need to make cuts during a recession, you’ll already know which campaigns to cut because you know which ones are least successful.

## 7. Invest in a Financial Planner

A financial planner specializing in business finances could be your new best friend. This type of professional will help you manage your cash flow, your savings, your expenses, and more.

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Don’t wait until a recession, though. Hire a planner when your revenue is strong. This way, the planner can help you plan for a rainy day and find financial ways to recession-proof the business.

# 8. Keep a Running List of Expansion Ideas

it’s been fascinating throughout COVID-19 to watch how so many businesses have pivoted their services and products to fit the needs of our current crisis. For example, with customers spending less money on clothes, countless fashion companies have pivoted to focus on making face masks instead.

You can’t predict the future, but the more ideas you have ready, the better. Start keeping an ongoing list of ways your business could adjust to the needs your customers have during a recession. If and when another economic crisis happens, you already have a starting point.

# 9. Build Up Your Credit

No business wants to borrow money, but we need to be honest that it’s never out of the question. The last thing you want is to reach the point of needing a loan, only to find that your credit is too low to get one.

Safeguard your future by building your business’s credit. There are plenty of steps you can take now to make it easier for you to get an affordable loan in the future.

# Making Your Business More Secure

When you dream about your business’s future, you probably think about the bright possibilities. The fact is that rainy

days are likely to come your way too, but preparation can make all the difference.

I’ve used the strategies above to recession-proof my business, and you can do the same. It’s never too early to build your business a safety net.

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