

Five recession lessons from a survivor

Maddyness hears from David Morel, Founder and CEO of Tiger Recruitment, who shares his advice from both 2008 and 2020 to help businesses to manage productivity, support mental health and follow government guidance during a crisis.

Temps de lecture : minute

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The past seven months have been some of the most demanding of my career. Recruitment is often one of the first industries to be hit in times of crisis, and this time has been no different. Add to that the challenge of setting up a 50-strong team to work from home, then bringing them safely back to the office, managing productivity and supporting mental health, all while keeping up with the Government's latest advice, and you can see why people describe the current situation as "unprecedented".

This isn't the first time I've experienced a global crisis. In 2008, I had grown the business to 10 staff and was renting an office in the West End. We were carving out a name for ourselves as a premium recruiter of business support staff when disaster struck, leading to several years of hardship. Clearly the financial crash and Great Recession - and the circumstances leading up to it - were very different to today's recession, but the lessons it taught me have given me the strength and confidence to take it in my stride.

Protect your finances

The first thing I learnt was that cutting costs should be your number one priority. This means speaking with suppliers and negotiating alternative payment arrangements, which could be a deferral of payment or a payment holiday. The aim is to reduce your costs as much as you can, by taking a six-month view or a three-month view with the option to re-negotiate. It's also important to make sure that money is coming in as quickly as possible, so your payroll division should be on the case with debt collection. This should be done in a non-aggressive way, in the spirit of partnership and understanding.

2. Maximise revenue

If your main business areas aren't functioning due to the crisis, you need to be giving serious thought to diversifying. Where are the opportunities to generate revenue? It's about being creative and thinking about your business in new ways. Start by identifying gaps in the market, looking at the sectors that are doing well right now, where you could add value. When the UK market shrunk back in 2008, we decided to spread our risk by expanding our services into the Middle East. This strategy paid off and we went on to open an office in Dubai. We also began pushing the virtual assistant services side of the business, which we saw as another string to our bow.

Today, we have similarly looked to diversify and have accelerated our plans to expand into new sectors beyond our core areas of expertise, such as HR and technology recruitment. We're also moving forward with opening new offices in Europe. Sitting still isn't an option.

3. Trust the data

It's easy to panic, especially when you're having to make decisions much more quickly than normal about a future that's largely unknown.

However, the 2008 crisis showed me the importance of making decisions based on data and facts, not fear and emotion. Having your financial figures on hand will help you make the right decision for your business.

Where do we need to get to in order to break even? Where are the shortfalls? Looking beyond the immediate situation and thinking longer term is also vital. The very act of taking a long-term view can be settling when there is so much uncertainty.

4. Keep marketing

According to a recent Bellwether Report from the Institute of Practitioners in Advertising, the pandemic has driven a record decline in UK marketing budgets as companies economise (as per my point 1). I don't see marketing as a cost to be cut but as an investment to be made in the future, and what I learned from the 2008 crisis is that continuing to market in a relevant way, when your competitors might be scaling back, can help you gain market share. It also helps to accelerate your business' recovery when there's an upturn. The key is to understand your customers, what they're finding difficult right now and how you can best support them.

I'm mindful that Tiger's clients don't want to be sold to at this time. Sharing useful information and advice is much more likely to engender loyalty. For example, we've been guiding clients through the virtual interview and onboarding process many are having to adopt, as well as hosting webinars on topical issues such as improving employees' mental

health remotely.

5. Clear, consistent internal communications

We ran a survey back in April and asked people what their employer could have done better to support them during the pandemic. The most common response was that they could have improved internal communications.

Back in 2008, my team was small; we all worked together in the same office; and the fear and worry they felt about the future and their jobs was palpable. I quickly realised then that people needed to know what was happening with the business: good and bad.

The business is bigger and more dispersed now, but the same principles apply – honest, consistent, empathetic communications that allay fears without sugar coating the truth.

One of the first things I did at the start of the pandemic was to call every member of the team to find out how they were and to make myself available to them. It's important they feel that they are supported and can raise any concerns they have.

All of our divisional managers hold regular meetings with their teams alongside weekly management and company-wide meetings – and my (virtual) door is always open.

The fact that I'm writing this – and that my business not only survived the 2008 crash but has continued to grow – is proof that crises do eventually pass. The months ahead may not be easy and are likely to put even the best-run businesses to the test, but by holding your nerve you can get through this and come out stronger. You'll even gain the skills to help you

deal with future crises.

David Morel is Founder and CEO of Tiger Recruitment

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