

# Have a Plan B, just in case

**E**very time I hear a news story on the stock market, I think about sheep and how mindlessly they stampede together. We see this same effect when stockholders buy and sell in great waves generated by the slightest event. Often, these buying-selling waves make no sense at all, but thousands of people participate. It's one of those mysterious things driving our economy.

Economists are the opposite of sheep. It seems each one has his or her theory of impending boom or disaster, and a full set of reasons why they're right. Some predict our troubles are over, others say the economy will continue to wobble, and still more wonder if things will really tank later this year.

Why the confusion? The "leading economic indicators" economists use to measure the economy's performance are giving us mixed signals every month. And because economists use models based on past markets to make their forecasts, they don't have a clear picture of how this market will act. Their crystal balls are all fogged up.

I'm not comfortable accepting anyone's prediction yet, and neither should you be.

Like many of your peers interviewed in our news story on page 15, you may be having a strong year, with plenty of work, advance orders and customer renewals. "What recession?" you ask. Or maybe you're only feeling a slight pinch from higher prices and only sense a slowing momentum. How are you to plan?

Because the jury's still out, I hope you have a Plan B in mind. You can't control the forces moving this economy on a national or local scale, but you can be prepared. Here's how to recession-proof your organization:

1. Develop a clear vision of your services, your cus-

tomers and your goals. That's your business plan. If you're an in-house operation, define the value you provide, in case you have to defend your budget someday.

2. Target your weak spots (having only a few big customers, not being profitable enough, having too many competitors, struggling with weak cash flow, etc.). Then, plan immediate steps to rectify them and strengthen your market position. This may lead you to some new ways to stand out from your competition, add or delete services, or reorganize your operations.

3. Picture an actual recession, losing key customers or having your own costs skyrocket. Make it a worst-case scenario. How will you weather that storm? Then you can prepare a specific, targeted defensive plan, before you need one. You might get some ideas from our cover story on page 22.

This industry may feel the downturns last, but by looking at your operation now, you have the time to make it stronger, just in case.

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