

| Making Your Business Recession Proof

By Kavan Choksi



Many economies rebounded rapidly from the height of the pandemic and Covid-related lockdowns, but lingering supply chain issues and a tight labor force created inflationary pressures. The higher prices led to central bank rate hikes, resulting in greater odds that the US, Europe, and other global economies will enter a period of recession in 2023. While recessions can be painful for businesses, opportunities can be found in crisis. Here are a few proactive measures that leaders can take to maintain healthy business operations and set their companies up for future growth despite economic headwinds.

Focus on margins and market share

Depending on how sensitive your industry is to a recession, the possibility of a top-line revenue decline is higher in an economic downturn. The impact of a recession can be unpredictable and drastic, often causing some businesses to close. If your industry suffers from a decline in demand, maintaining profitability can be the key to survival. Shifting the emphasis from growing revenue to maintaining margins can help prioritize strategic actions that will keep a business healthy. Additionally, measuring success by market share can help maintain a growth mindset as revenues fall.