

Dent[®]

AVOID THE C.R.A.S.H

5 STEPS TO RECESSION-PROOF YOUR BUSINESS

“I’VE HEARD THERE’S GOING TO BE A RECESSION. I’VE DECIDED NOT TO PARTICIPATE”. WALT DISNEY



DOOM AND GLOOM OR BOOM BOOM BOOM?

Australia has been lucky over the last few decades since the days of the recession 'we had to have'. We've done well to dodge the worst of the global financial crisis and have experienced strong economic growth.

Recently however, the media have begun hinting that we're clearly in recession.

A survey by PwC has revealed CEOs aren't at all optimistic. The economic slowdown that's happening both locally and globally, plus political upset and trade conflicts mean the top brass in businesses across Australia have expressed lowered confidence in the country's growth prospects.

It's not a matter of *if* the market will contract, it's a matter of *when*.

If tomorrow's headlines screamed of disaster and consumer sentiment fell through the floor, what would happen to your business? Would you be worried or optimistic about the opportunities that were about to present themselves? Or worried about whether you would survive the C.R.A.S.H.?

This guide has been designed to help you prepare for worst case scenario even if it never happens.

The following pages cover the 5 steps to protect you against a market C.R.A.S.H. Not only will this guide help shield you when things go bad, it will give you a competitive edge when things are going well.



**RECESSION IS
OPPORTUNITY IN
WOLF'S CLOTHING.**

– ROBIN SHARMA

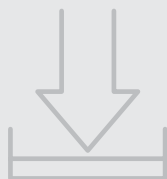
THE C.R.A.S.H. METHOD

C



Cash buffer

R



Reducing costs

A



Assets and automation

S



Stand out

H



Get help

STEP 1. CASH BUFFER

Stockpiling cash is easier said than done. While this step seems painfully obvious, an ASIC report recently revealed that 40% of business failures are due to a lack of cash flow.

A significant part of the problem stems from something called 'Parkinson's Principle'.

The Parkinson's Principle states that 'Work expands to fill the time available for its completion'.

Have you ever noticed that if you have an hour to complete a task, it takes an hour? Whereas if you've only got five minutes, you somehow manage to get it done in that time? That's Parkinson at work.

The concept also applies to other areas.

Take weight loss for example. Humans tend to eat whatever is on our plate. If we simply make the plate smaller, we will eat less without noticing any difference in satisfaction. Again, that's Parkinson's principle at work.

Now, if you want to apply this to your money, it's important to recognise you (or your team) are likely to spend any cash that's available.

“
PUTTING MONEY AWAY
FOR A RAINY DAY IS
THE OLDEST TRICK IN
THE BOOK BUT IN OUR
EXPERIENCE **MOST
BUSINESSES WOULDN'T
SURVIVE WITHOUT NEW
REVENUE FOR MORE
THAN 4-6 WEEKS.**

As your business grows, and your cash accumulates, somehow, you will find new ways to spend that money. Of course, many of those new expenses are legitimate running costs of your growing business. However, upon closer examination, you will discover that much of the new spending is on non-core activities. Perhaps you decide to re-brand, even though there is no good reason to (other than the fact that you've got bored with the 'look' of your stationary). Perhaps you start getting a few more Uber Blacks, when before you were happy with the Uber X.

It's easy to fall into this trap and *fail to prioritise stockpiling cash* for when it's needed. One of the main problems is most small business owners have their money coming in and out of the same bank account.



**AS SURE AS THE
SPRING WILL FOLLOW
THE WINTER, PROSPERITY
AND ECONOMIC GROWTH
WILL FOLLOW RECESSION.**

– BO BENNETT

This is like storing all your food on one plate—or constraining your time available to complete a task. The one account mistake is a recipe for consistent and never ending cash flow issues.

If this is how you're currently running your business, you'll never build it into something profitable. It is impossible to keep track and every windfall will be very quickly spent.







The fact is, if you pull some cash out (profit) and lock it away the moment it comes in, you will work out how to run your business on what's left. *You just will.* (You probably started with nothing, and you managed to work it out). Surpluses tend to make us less creative and resourceful – so it's best to squirrel some cash away *right now*, and get back to working out how to manage on what's left.

For a profitable business model, SIX is the magic number

To make sure your business is adequately prepared for a C.R.A.S.H., starting *NOW*, allocate your revenue into several smaller plates (i.e., bank accounts) instead of a single big one.

Six may seem like overkill but it makes it easier to keep track and also form habits. Each account has a separate purpose.

Business accounts: The magic six

<p>Income account</p> 	<p>This is where all your accounts receivable are paid into.</p>	<p>Tax account</p> 	<p>There's no avoiding tax so you may as well keep it to one side.</p> <p>How much? 25 per cent should roughly cover your business tax expenses. (Talk to your accountant!)</p>
<p>Profit account</p> 	<p>Pay your profit first.</p> <p>How much? Start with 1% and increase it by 1% every month. This gives you time to innovate how you will run your company on what's left.</p>	<p>Trading account</p> 	<p>Use this account to pay your staff and running costs.</p> <p>How much? Start with whatever remains after distributing across all accounts. As your profit % goes up, the cash available in trading goes down by the same %.</p>
<p>Dent account</p> 	<p>Stash \$\$ here and use it to make the world a better place.</p> <p>How much? Pledge to give 1%. Stick to it by visiting https://pledge1percent.org/</p>	<p>Vault account</p> 	<p>This is for your savings and shouldn't be very easy to access.</p> <p>How much? Save five per cent of every dollar and aim to build three months of savings.</p>



Make it simple: visit your account every two weeks and redirect everything in your income into the other accounts. For more, check out our friends at www.profitfirst.com.



Handling your business finances this way not only keeps you from overspending, it makes sure you always have enough money for both expected and unexpected expenses—all while still having extra cash to make a positive impact in the world.

Action stations: set up your accounts today

If you are not constraining yourself by allocating money to the important areas of saving, donating and yes, paying yourself, you will end up spending all your revenue. This it may help grow your business faster but you are not PROTECTING your business and you risk ending up in a place where you're constantly chasing your tail, or worse.

**YOUR CHALLENGE: BREAK
PARKINSON'S LAW.**

**NATURE ONLY EVOLVES WHEN IT IS
FORCED TO. YOUR BUSINESS IS THE
SAME. TAKING THE CHALLENGE TO
MOVE AWAY FROM YOUR INSTINCT TO
SPEND EVERY DOLLAR YOU HAVE IS AN
ACTION YOU'LL NEVER REGRET.**

STEP 2. REDUCE COSTS

Proper allocation of your cash is just the first step. You also need to be able to significantly cut the amount that's going out if you want to be fully prepared for a C.R.A.S.H.

This doesn't mean you should be cheap for the sake of being cheap. The last thing you want is to minimise costs to the point where it negatively impacts your brand.



SPENDING LESS
SHOULDN'T EQUAL
DOING LESS. **DON'T
THROW THE BABY OUT
WITH THE BATHWATER
AND MINIMISE COSTS
TO THE POINT WHERE
YOU CAN'T RUN YOUR
BUSINESS.**

What you need to do is have a thorough understanding of every expense involved with running your business and figure out which of these expenses can be eliminated or at least reduced.

To do this, you need a three-step process:

- 1 Identify hotspots**
- 2 Prioritise which ones to make cuts to**
- 3 Incentivise the cuts**

Identifying hotspots

To identify hotspots, you need to look out for these three things in your financials:



Recent increases in cost



Expenses that costs a lot more than any others



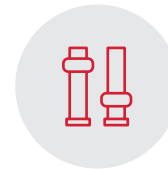
Costs that fluctuate

If you're a one-man show, you can probably do this yourself with your accountant but depending on the size of your organisation, you might have to divide this task among all the different teams or departments in your company to make it easier.

Once that's done, decide which ones belong to these three categories:



Mission-critical and highly valued



Highly valued but not mission-critical



Non-mission-critical and low-value

Anything that falls into the first category, of course, you can't really touch – unless you figure out a way to make it more affordable without any negative repercussions. An example would be truck maintenance if you run a logistics company.

Items that fall into the second category can be manipulated to cost less. Think of the fridge in your break room. It is by no means critical to your business but if you remove it, people won't be happy. Perhaps it would be wise to just switch out the fancy water bottles for a home brand variety.

Needless to say, anything that falls into the third category can go. An example would be mobile plans for people who never leave the office and don't take work-related calls from home. You've probably got way more subscriptions to online tools and websites than you really use – it's worth going through everything line by line.



Prioritising cost cuts

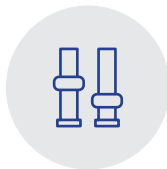
Before you decide which items to try and reduce the cost of, you have to do some prioritisation.

Make this easy for yourself and your team by figuring out which items fall into which of the following categories:

Work through each category in the above order to figure out which costs to start cutting first and to find the easiest wins.



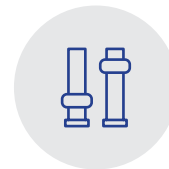
High-return,
low-complexity



Medium-return,
low-complexity



High-return,
high-complexity



Low-return,
high-complexity



BIG GAINS, EASY WINS

If cutting a non-mission-critical item will give you good gains and you can do this as easily as cancelling a subscription account that never gets used, make a move straight away.



MODERATE GAINS, EASY WINS

Next, get rid of the items that may not save your business thousands, but which are simple to cut out, like switching from premium to standard subscriptions or changing your stationery supplier.



BIG GAINS THAT ARE TRICKY TO IMPLEMENT

This may include creating a new strategy, for example setting up a sound-proof meeting room with a large screen so your team isn't always jumping into cabs and Ubers to see clients.



SMALL GAINS THAT ARE TRICKY TO IMPLEMENT

Number four on your priority list are the changes which will take a while to implement but won't impact your overall revenue by a significant amount e.g. ending long term contracts.



Incentivising expense cuts

Nobody likes the thought of spending less, mostly because they think it means they'll be missing out on something, so give your team a reason to care about reducing costs.

Firstly, be honest. If the business spends less, everybody gets to keep their jobs. This is a fundamental truth that's often overlooked or understated. Working for a great company is a privilege so it's often easier than you think to motivate your team to participate even without cash bonuses or incentives

The next step is to build the culture of saving money into your organisation. You can do this by turning the whole thing into a game and having a weekly meeting where teams try to outdo one another in terms of how much money they save or are in the process of saving. The winner gets some kind of reward—which doesn't have to be monetary.

The third and final step is to be transparent. Give your team access to the company's financials so they can see for themselves the impact of whatever cost-cutting measures they're implementing. They can keep score and see how the business is progressing as a way to stay motivated and look for even bigger cost-cutting opportunities.



**UNDERTAKE EXPENSE
REVIEWS AS FREQUENTLY
AS FOUR TIMES PER YEAR
SO YOU KNOW HOW MUCH
MONEY IS GOING OUT THE
DOOR THAT DOESN'T
NEED TO BE.**



OH NUTS! (A CASE STUDY)

In 2011, we started putting macadamia nuts out for workshop delegates instead of mints. It seemed like a nice touch to create a remarkable customer experience. Fast-forward a couple of years and we were hosting 150 workshops a year and our expenses skyrocketed. By doing a line-by-line expense review, it turned out we were spending \$35,000 a year on nuts! Needless to say, this non-mission critical expense was quickly dropped (and no one even noticed!).

The lesson here is you can't always rely on your accountant to raise questions about the way your money is being spent.

STEP 3. ASSETS AND AUTOMATION

Now you have eliminated costs, your next step is to consider that you're paying your people for their time, *and time is expensive*.

To ensure you're getting the maximum returns from every dollar you spend, master the arts of both *delegation* and *automation*.



YOUR BEST, HIGHEST-PAID PEOPLE NEED TO BE FREE TO WORK ON THE HIGHEST-IMPACT TASKS THAT GENERATE REVENUE FOR YOUR BUSINESS.

When it comes to low-value tasks, delegate. Assign them to interns or junior team members so you can focus on other, more important areas.

All about automation

Automation will cut out a lot of the noise from your business and help save you thousands. It's not a task for you as the business owner: your team should be able to discover and implement automation that saves time and money.



Five things to automate



CUSTOMER RESPONSE

Automate your inbound customer service, support and lead nurturing with Chatbot.com.



SALES & MARKETING

Automate your marketing, email, sales and landing pages all from the one platform with Ontraport.com.



MEETING MINUTES

Otter.ai is a machine learning platform that can listen (and instantly transcribe) on your meetings or presentations.



LEAD GENERATION

Use scoreapp.com to capture data rich leads and convert them to sales with highly personalised custom messaging.



SCHEDULING MEETINGS

Meetsally.eu simplifies routine tasks and meeting scheduling using ai technology. Just like a real assistant, without the cost.

All about assets

Basically, an asset is anything that continues to produce new value if you and your team were to disappear. Imagine for a moment looking at your business from a distance. Now, from that vantage point, imagine it *without people*. The degree to which things are still happening is the degree to which you have built an asset driven business.

The right assets can make workflows faster, can automatically generate inbound leads, reduce the amount of time spent training a new team and have your business running like a well-oiled machine.

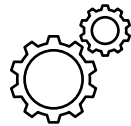
Each asset you invest in should provide clear and measurable return on investment and reduce task loads.

Examples of assets



Online tools & software

Platforms like Slack and JIRA make working hours more productive.



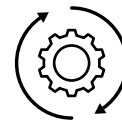
Business systems

To keep things consistent and streamlined, introduce systems.



Procedures and processes

Create procedure documents and videos eliminate wasted time.



Automation tools

Let technology complete tasks on behalf of your business. Try ITTT or Zapier as a starting point.



Thought Leadership Blogs, Videos, Books, Webinars, Infographics and reports like this one are powerful marketing assets that build attention and trust in your industry.

The goal of automation and assets

Often as businesses grow, they become more complex. There are more layers, more moving parts and more expenses.

By continually striving to eliminate expenses, delegate to junior staff and automate tasks, you're creating a business that is not only successful, but efficient. Profits are high and running costs are minimised. There are systems in place so that if you're not there or someone else is not there, the machine keeps running.

Recession-proof your business by running lean and getting the maximum return on every person you employ.

When the recession hits, instead of having a bloated, lumbering organisation with people who don't really need to be there and money being drained where it doesn't need to be, your business is already its best version of itself.

THE VALUE OF A VA

DO AN EXERCISE WHERE YOU AND YOUR TOP PLAYERS WRITE OUT EVERY REPETITIVE, NON-SKILLED TASK THEY DO EACH WEEK AND HOW LONG IT TAKES THEM. HOW MUCH MORE WOULD YOUR BUSINESS EARN IF THEY SPENT THIS TIME BRINGING IN ACTUAL REVENUE?

THIS IS WHERE HAVING VIRTUAL ASSISTANTS, WHO CHARGE FAR LOWER RATES, CAN ACT TO PROPEL YOUR PROFITS UP A LEVEL.



STEP 4. STANDING OUT

One of the fastest ways to create a breakthrough in your business is to be recognised as the GoTo brand in your industry.

This goal of becoming highly visible and well respected in your field should not be overlooked. This positioning as an industry leader makes every other key activity in your business cheaper and more effective.

Imagine your brand was widely recognised as the #1 GoTo brand and you (the founder) were recognised as a Key Person of Influence in your industry. You and your company were regularly in the media, and invited to speak at large scale conferences. What would happen to your cost per lead? How much easier would it be to attract top talent? Would you be able to land that key partnership faster? Of course you would.



**UNTIL YOU'RE
RECOGNISED AS ONE
OF THE GOTO BRANDS
IN YOUR INDUSTRY,
EVERYTHING IS MORE
DIFFICULT AND EXPENSIVE.**

Make a business that stands out

Businesses lead by founders who are well known, liked and trusted are much more resilient in a downturn because people know they're the best.

Here are 5 things to focus on...



PERFECT YOUR PITCH

When times are good, it's easy to get a little lazy when it comes to making the most out of your communication and marketing. Your business 'pitch' is the essence of your value proposition. It should capture the attention, and interest of your target audience quickly, and powerfully. Spend time answering this question: "Why should someone choose to work with you over your competition?"

Have a listen to this podcast episode called 'Perfect your Pitch. Follow the link for the audio and a downloadable poster you can use to help improve your pitch.



Perfect Pitch DENT



PUBLISH THOUGHT LEADERSHIP

Publishing content is a great way to reach more people and begin to generate 'inbound' opportunities. Establishing credibility by getting your message heard by those who matter to increase growth of your business is key, however the #1 reason we find why people don't produce more content is a lack of time

To make it easier, we recommend a great app called REV.com

This is a simple voice recorder linked to a transcription service. Just speak your mind into your phone, click transcribe and within a couple of hours you've got a word perfect transcription. Then, send that transcription to a copywriter you've found on www.upwork.com and you've got yourself a simple, yet powerful system for content creation.

A good goal should be to produce enough content that if someone wanted to 'content gorge' on your material, it would take them more than 7 hours, and they would end up visiting at least 4 different platforms to do it.

For example, perhaps someone watches a recording 90-minute talk you gave on YouTube. Then they listen to a 2hr podcast episode. Then they spend an hour reading a variety of articles you've published. Of course, this doesn't need to happen all at once—it can happen over time, however the magic number is 7 hours, across 4 platforms. That's your target and if the market drops and opportunity dries up, you will have a much wider 'net' than most to keep you busy with a steady stream of new business.



BUILD A PRODUCT ECOSYSTEM

Single products and services don't make money—product ecosystems do. There are 4 types of products every business needs to thrive.

Each product layer in your ecosystem must satisfy the following outcomes:

- 1** A product that captures ATTENTION and creates a LEAD.
- 2** A product that builds TRUST and creates a HOT LEAD.
- 3** A product that solves a problem and creates REVENUE.
- 4** A product that offers ongoing support and creates RECURRING PROFIT.

Without these 4 types of products, your business will lack the efficiency it needs to thrive as too much human time, which is expensive, will be required to achieve those outcomes.

For examples in each of these 5 categories, we encourage you to watch this 40 minute video called 'Become a Key Person of Influence'. www.discoverKPI.com

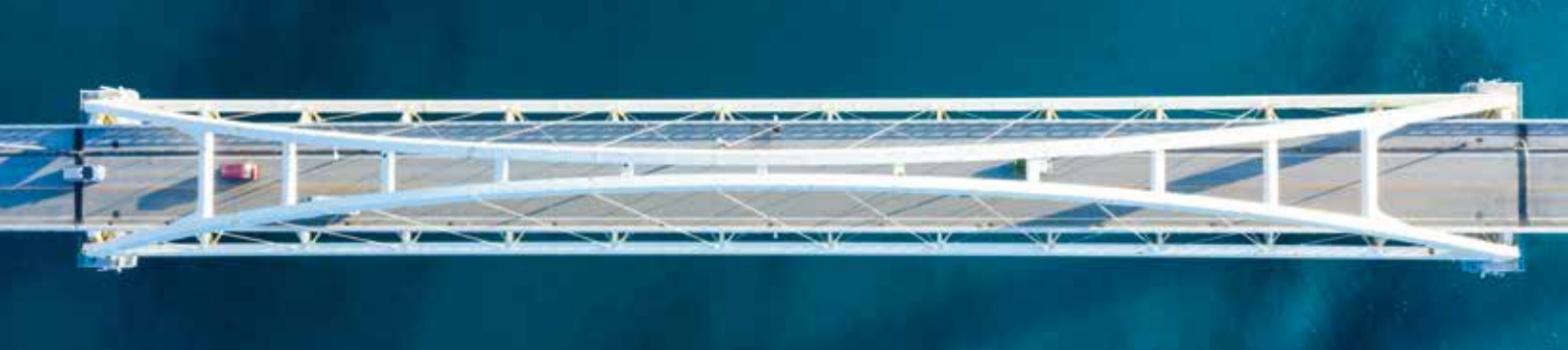


RAISE YOUR PROFILE

These days, you are who Google says you are. We encourage you to google yourself and your company right now and experience what comes up from the perspective of a prospect, a journalist or a potential major alliance partner.

Are you signaling authority and credibility? Now try Googling your competition. How are they doing? You will find yourself either having to seriously play catchup if you want to stay relevant over the next 3-5 years OR, you will find yourself with an opportunity to easily stand out from the crowd. Either way, there's no time to lose.

There are 4 key areas you need to master. Ask yourself, are you worth your S.A.L.T. in your industry?



Poor profile? Just add S.A.L.T.

WARNING: Like salt, 'personal branding' is something that should be added in small amounts to an existing 'main course' of a successful business. On its own – it's horrible.

S = SOCIAL MEDIA.

Yes, you've got to nail social. We recommend focusing on this step AFTER you're rockin' the next three steps.

A = AWARDS / ACCOLADES.

We were named the 9th fastest growing company in Australia (Award). We were named by Inc.com as "one of the world's leading business accelerators" (Accolade). Make a list of awards / accolades that best suit your business.

L = LIVE APPEARANCES.

Being invited to speak, judge, host or sponsor at a live industry event catering to your target market creates a real impact and boosts your credibility. Got a speakers kit? You should.

T = THIRD PARTY MEDIA.

Getting yourself and your business in the media, on other peoples podcasts or blogs - anything where someone else is featuring you and the work you do.

Start with ALT, then circle back to S and you will find your results in social will be far better.

What SALT can you add to your business today?

There are 3 types of partnerships to consider.

BRAND Partnerships. These types of partnerships align your brand with an individual or company brand that has more credibility in your industry than you do. For example, if you hosted a talk or webinar with a well known celebrity, the association would transfer some of their brand goodwill to you. The same rings true for a partnership with a blue chip organisation or association.

PRODUCT Partnerships. These types of partnerships allow you to deliver more value to your customers without you having to build additional internal capacity. An accountant may establish a partnership with a mortgage broker for example, creating better outcomes for the customer.

DISTRIBUTION Partnerships. These types of partnerships help you reach a wider audience. For example, a marketing company may promote the services of a great web developer to their database and vice versa. If there is no competitive overlap between the two partners, then this is an incredibly powerful way of driving a tonne of new business at no cost to either party. One of the most powerful tools for thriving in any market condition is through establishing a wide variety of distribution partnerships.

They key is to not start at one or two. If you have taken the time to work on each of the previous 4 steps, you will have a highly credible message, with a variety of great content and a product ecosystem that will help you create a wide variety of powerful partnerships.

For more insights into each of these steps, visit www.discoverKPI.com and watch the video.



PARTNERSHIPS

Nothing great was ever achieved in isolation. One of the easiest ways to boost opportunity regardless of the market conditions is through creating joint ventures, partnerships and alliances with existing high performers in your industry.



STEP 5.

HELP (SELF & OTHERS)

It's essential to have an 'inner circle' of suppliers and partners who can *help you* when times get tough. The key with this step however is deep diving into how *YOU* can *help other people* when times get tough.

What products or services can you create and deliver that would help others survive the C.R.A.S.H.? Being able to answer this question will help you position yourself in a way that will help you keep the cash coming. You can also use the situation to not only keep the cash coming in and cement yourself as an authority in your field.

Who does your business need?

Make a list of external providers / partners who can help guide you through a downturn, including:



Accountants



Business Coaches



JV Partners for lead generation



Suppliers with flexible terms



Banks / Finance providers



Anyone else relevant to your business

How can you help others?

Make a list of the ways you could help others through a recession.

Market crashes present *massive opportunities* to those who come in prepared. As early as right now, start marketing your products and services as something companies can use to either prepare for or weather the upcoming recession.



Hope is not an effective strategy for handling an economic downturn, nor is brute force sales and marketing.

If you're not confident your business can weather a recession, the good news is all you have to do is get started. Take the first step by creating those additional accounts (or delegate the task to a junior—you're busy after all).

Proper Preparation Prevents the Probability of Poverty!

The added bonus of recession-proofing your business means you'll instantly start streamlining your operations and keeping more of the money you're making.

When you have money during a recession, you have the power to grow your business significantly faster than when the market is doing well. Not only is everything so much cheaper, you will have top talent seeking your company because it offers a stable and steady income.

When the recession *does* hit, we can expect there to be carnage. But when the economic sun begins to shine again, those that have stood strong through the hard times will be able to hit the ground running faster than ever.

DENT GLOBAL ARE LEADERS IN STRATEGY AND TECHNOLOGY FOR ENTREPRENEURIAL BUSINESSES. SINCE 2010 WE'VE EXPANDED INTO THE UK, USA, SINGAPORE AND AUSTRALIA AND WORKED OVER 3000+ AMBITIOUS ENTREPRENEURS AND THEIR TEAMS.

We believe that success requires the ability to influence, which is why we developed the Influence Scorecard.

It's used by over 50,000 leaders globally to benchmark their ability to influence in a business or leadership context helping them shape their competitive edge in their industries.

If you're looking for opportunities for leveraged growth...



Answer 40 questions and get your scorecard



Free of charge – no strings attached in less than 10 minutes

Take the test today: kpiquiz.com

Congratulations on using the **Key Person of Influence** measurement tool.



Pitching	Publishing	Products	Profile	Partnerships
Can you deliver a powerful pitch on any given day?	Do you have published content that people can easily access?	Have you chosen to develop or align yourself with valuable products and services?	Are you well known, liked and trusted in your field?	Do you create strategic partnerships and alliances that increase results?
Your Score	Your Score	Your Score	Your Score	Your Score
6	6	9	7	1

WANT TO LEARN MORE ABOUT EACH OF THESE STEPS IN DETAIL?

GET A FREE COPY OF THE "KEY PERSON OF INFLUENCE" BOOK.

All of the steps, strategies and methods suggested to you in this report stem from the international best selling book "Become a Key Person of Influence".

It gives an overview of how to become more visible, valuable and connected. More importantly, the book has inspired thousands of people to change the way they approach their career, their business and their personal brand.

And because you made it this far into the report we are giving you a free physical copy of the book, **you don't even have to pay for shipping and postage.**

Leave your details when you complete the Influence test to get your free book.

