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Preparing for an intangible upturn

- How do reputation, brands, patents, designs, software and research help recovery?.
- What should companies be doing to prepare for the upturn when it does come?
- Businesses should be investing continuously to build a sustainable future.



The UK is dependent on the economic health of its European neighbours and countries further afield, when they recover we will soon follow. According to Stuart Whitwell, joint managing director of Intangible Business, a brand valuation consultancy, "as with many things, the most obvious solutions are generally the best."

Whether you are looking at making acquisitions or being the acquired, businesses should be investing continuously to build a sustainable future.

"Most businesses are differentiated on their intangible assets; people, reputation, brands, patents, designs, software, research. Investing in these assets will generate essential competitive advantage for long term growth. Good companies do not work in silos."

Sharing the burdens and opportunities

He says companies should develop partnerships, encourage staff to get out there and meet clients, join networks and create communities of compatible companies where they can share efficiencies, receive referrals, develop new products and services, share expenses such as promotional costs or develop new ideas.

Whitwell argues that businesses can be bold and prepared to actually make decisions and invest in new products and services.

"Innovate. Cutting levels of bureaucracy will speed up the decision making process, encouraging staff to behave in a more entrepreneurial fashion, motivate them, allow them to fulfil their potential and produce results. Some may fail but from these the best lessons are learned. Shout about the successes and invest in marketing and advertising."

It's a different world

Of course investment is all very well but it is only possible with a healthy cash flow. The cost control businesses have deployed during the recession should be maintained; efficiencies that kept you afloat through the worst of times should be continued.

Whitwell adds: "Investment should be made but in a considered, well planned manner with a long term view. Don't expect a return too soon either; plan for between one or two years."

He says the business plan or strategy you wrote a year or so ago is now out of date. The market has changed. Customer needs are different. Competitors may no longer exist; new ones may have appeared.

The whole environment has altered so adapt the strategy and plan accordingly. This planning process is likely to reveal opportunities which can be exploited in a focused, determined way, with the potential resource requirement firmly in place. Stick to what the business does best but be prepared to experiment with sustainable investments.

The hunted becomes the hunter

"You can re-establish a cash pile, you can rebuild a factory but time is the one asset you can't recreate so make sure you use it wisely. Timing is also as important. Different sectors recover at different times and the first to react will reap the benefits so start now.

Whitwell adds: "Don't waste valuable time chasing rainbows but concentrate on what you know and do best and invest in sustainable business developments. And if you do, the hunted may well become the hunter."