

A blurred background image of a person's hand pointing at a smartphone screen. The screen displays a vibrant city skyline at sunset or sunrise, with warm orange and yellow hues. The overall composition suggests a modern, professional theme.

HOW TO GROW YOUR BUSINESS IN A RECESSION?

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It is our goal to make the process of either buying a new business or selling your current business as smooth and efficient as possible. We know how important confidentiality is to our sellers and we treat it with the utmost importance.



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How to Grow your business in a recession?

It may seem strange to think of growing your business in the bad times, but there are actually many things you can do to keep your business healthy and many opportunities open that you may not have in the good times. Now is the time to concentrate on improvements. We can look back at previous recessions and learn some lessons. Here are some things that worked in the past:

1. **Tighten your grip on finances.** In good times it is very easy to be lax on finances and there are usually many areas that can be improved. Here are some ideas:
 - Make sure your book keeping is accurate and audited properly to prevent any mismanagement
 - Be quick to collect payments, preferably up front
 - Don't store up assets that don't perform well or inventory that is slow to move
 - Review the big expenses and cut back where you are not damaging the business
 - Buy in bulk to save on shipping costs or get savings



2. Keep a good cash position. It is important to have a stable cash position throughout the down cycle of a recession. This means that the business can cover its liabilities with a mixture of cash and liquid assets. Having a stable cash position puts the business in a good place when dealing with suppliers and bankers.

3. It's a good time for acquisition. Although it may seem counter intuitive, there are many undervalued assets out there during a recession and these can be turned into strong cash flow if chosen wisely and with the right plan. Keep your eyes open and be purposeful.

4. Get long term deals at good rates. In a recession people can be desperate to get a deal, so this is the time to negotiate long term deals at below market values. This could be anything from a lease on a property to the telephone system or for your insurance. It is also a good time to make long term deals with suppliers.



5. Gauge the market value for your products.

Customer needs can change when there is a recession on. Make sure your product meets those needs. Think of how you can add more perceived value to your product to adapt to the times. There could be ways of bundling that makes the product more appealing and don't forget to make sure you are keeping existing customers. Attracting new custom requires a lot more expense.

6. Don't cut back on marketing. Although it is tempting to cut back on spending, marketing is not the place to do it. Now is the time to make sure you use your marketing to create a strong brand and to stay on top. Also keep your eyes open for customers of companies going out of business and have a strategy of how to catch them

7. Expand your distribution. In recession, people are looking for more business, so now is the chance to find new channels for distribution. You may be able to get a better deal with the channel you already use or you may be able to replace it for something better.



8. Protect the heart of the business. If you do need to make cuts, make sure you don't touch the heart of the business. Evaluate what is at the core of the business and keep on investing in that, as that is where growth needs to happen. You may need to cut back on other areas or outsource them.

9. Look after your employees. A good working atmosphere and support given to employees will keep them loyal to the company. Keep communication open and allow employees to be involved in the decision making, where suitable. Lax times can be used for training and for planning out strategies for sales and marketing.

10. Have a goal and keep working towards it. Without a goal it can be difficult to make decisions about what to prioritize and where to cut back. Keep the long term goal in mind as you make solid plans to help ride the waves of the recession, so that you can come through stronger than ever before.



In summary, whilst it is tough to run a business during a recession, there are lots of opportunities that may not have been available during good times. It is an opportunity to become more efficient and even to grow. You need to be clear about what the core of your business is and to keep investing, whilst securing good deals and only cutting back on those things that are of less value.

Key Words

Grow your business, recession, business management, marketing, investing,



Our M&A Process

TARGET APPRAISAL	APPROACH	DUE DILIGENCE	NEGOTIATION & CLOSE	POST MERGER INTEGRATION (PMI)
Key Areas				
<ul style="list-style-type: none"> ▪ Target & market analysis; ▪ Initial assessment of synergies & value drivers; ▪ Indicative valuation; ▪ Go or No-Go decision; ▪ Preparation of transaction documents (NDA – Non-disclosure Agreement/LOI – Letter of Intent); ▪ Select Transaction team; ▪ Appoint advisors; ▪ Consider funding ability. 	<ul style="list-style-type: none"> ▪ Initial approach letter; ▪ Signing of NDA; ▪ Prepare & share initial information requests; ▪ Formulation of LOI (Letter of Intent) & possible negotiations; ▪ Initial meeting and Q&A; ▪ Circulate information on the Target to the Transaction team. 	<ul style="list-style-type: none"> ▪ Set scope of due diligence; ▪ Set up VDR (virtual data room); ▪ Coordinating of due diligence, further meetings and Q&A sessions; ▪ Consider points relevant to the Post-Merger (PMI) phase; 	<ul style="list-style-type: none"> ▪ Revisit indicative valuation & prepare detailed valuation based on due diligence findings; ▪ SPA negotiations with the seller; ▪ Development of final structure (share/asset deal) and final valuation; ▪ Approvals; ▪ Signing of SPA & Close. 	<ul style="list-style-type: none"> ▪ Consider the extent of integration; ▪ Development of 100 Day PMI Plan; ▪ Consider short & long term objectives; ▪ Estimate requirements to capture synergies; ▪ Determine resource needs & optimal allocation.
Parties Involved				
<ul style="list-style-type: none"> ▪ CFO; ▪ Head of M&A; ▪ Accountants; ▪ Corporate finance advisors; ▪ Consultants. 	<ul style="list-style-type: none"> ▪ Senior management; ▪ CEO, CFO, CTO; ▪ Strategy director; ▪ Head of M&A; ▪ Head of Business Development; ▪ Consultants. 		<ul style="list-style-type: none"> ▪ Company general counsel; ▪ Lawyers; ▪ Senior management. 	<ul style="list-style-type: none"> ▪ Company general counsel; ▪ Lawyers; ▪ Senior management/HR.



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