

Business Leaders Prune, Seek New Ways To Grow

Worthy Opinion

Thank you to all the Business Opinion Leaders who answered March's Business Opinion Forum survey about business's response to the recession. Over 80% of responders were owners, directors, senior or middle managers of significant South African corporations.

Only 9% reported they were in "survival" mode, with a further 46% in a "holding" position. Bullishly, the balance are aiming to come out of recession in an improved position! But How?

Ruthless Pruning

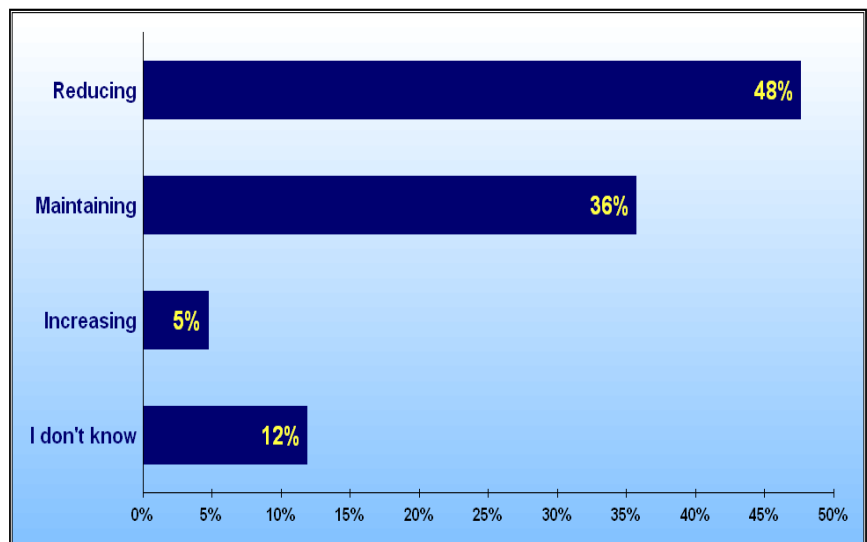
Cost accountants must be in demand as managers seek ways to cut production costs... cutting out inefficiencies, reducing raw material bills, seeking economies of scale are the order of the day as production cost reductions are revealed as the primary reaction to recession

HR departments also have their work cut out with personnel reductions being the second largest pruning activity currently underway.

Banks will experience reduced interest income as companies try to reduce their capex and borrowings.

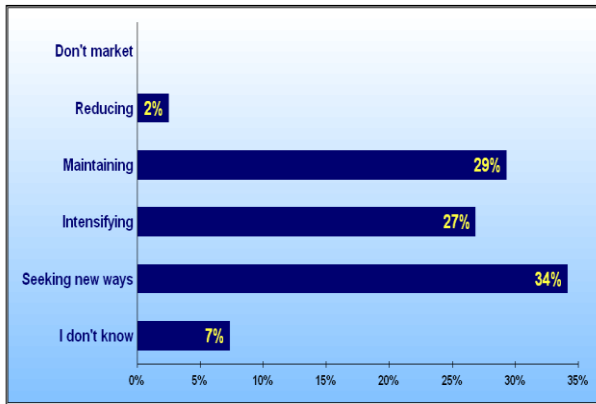
But that's on the downside. Business knows that pruning is short term.

Production Costs



Which of these statements about current business activity best describes your company right now?

Marketing



Which of these statements about current business activity best describes your company right now?

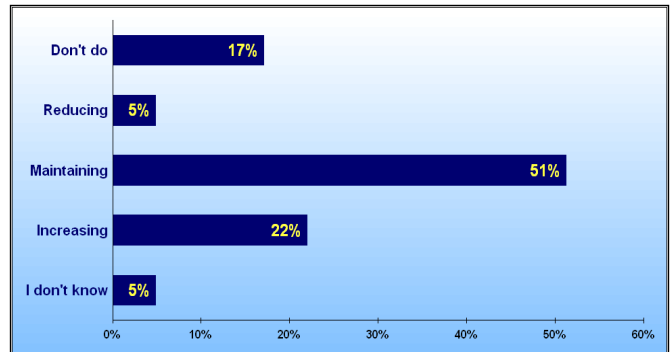
Aggression and Innovation Underlie Offensive

Opinion Leaders seek to improve their lot through the turmoil of recessionary times by both intensifying and seeking new ways to market themselves. What worked in past is no longer guaranteed. Businesses will come out of recession not only fitter, but also having learnt new tricks in marketing.

The "Need to Know" Increases With Uncertainty

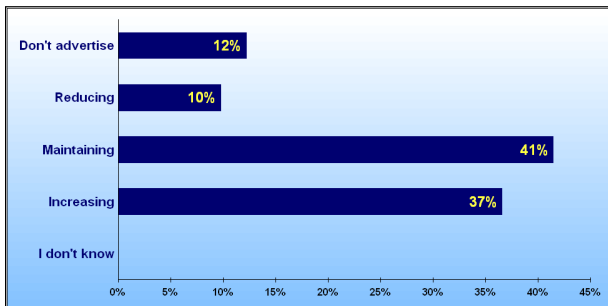
When the terrain is easy going the maps lie dormant. In tough times clever marketers are placing more accent on research to help them chart new ways forward. The better informed, the stronger the strategy and commensurate success.

Market Research



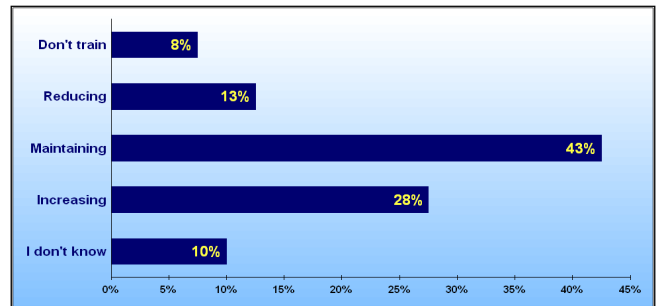
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Advertising



Which of these statements about current business activity best describes your company right now?

Training



Which of these statements about current business activity best describes your company right now?

Investment in Addressing Consumers Set To Increase

Businesses who are set to win though the recession know that talking to customers via advertising and front line service is key. Net investment in advertising and training is set to increase for these companies.