

# Leading in a Changing World

## How to Embrace the Changing Times

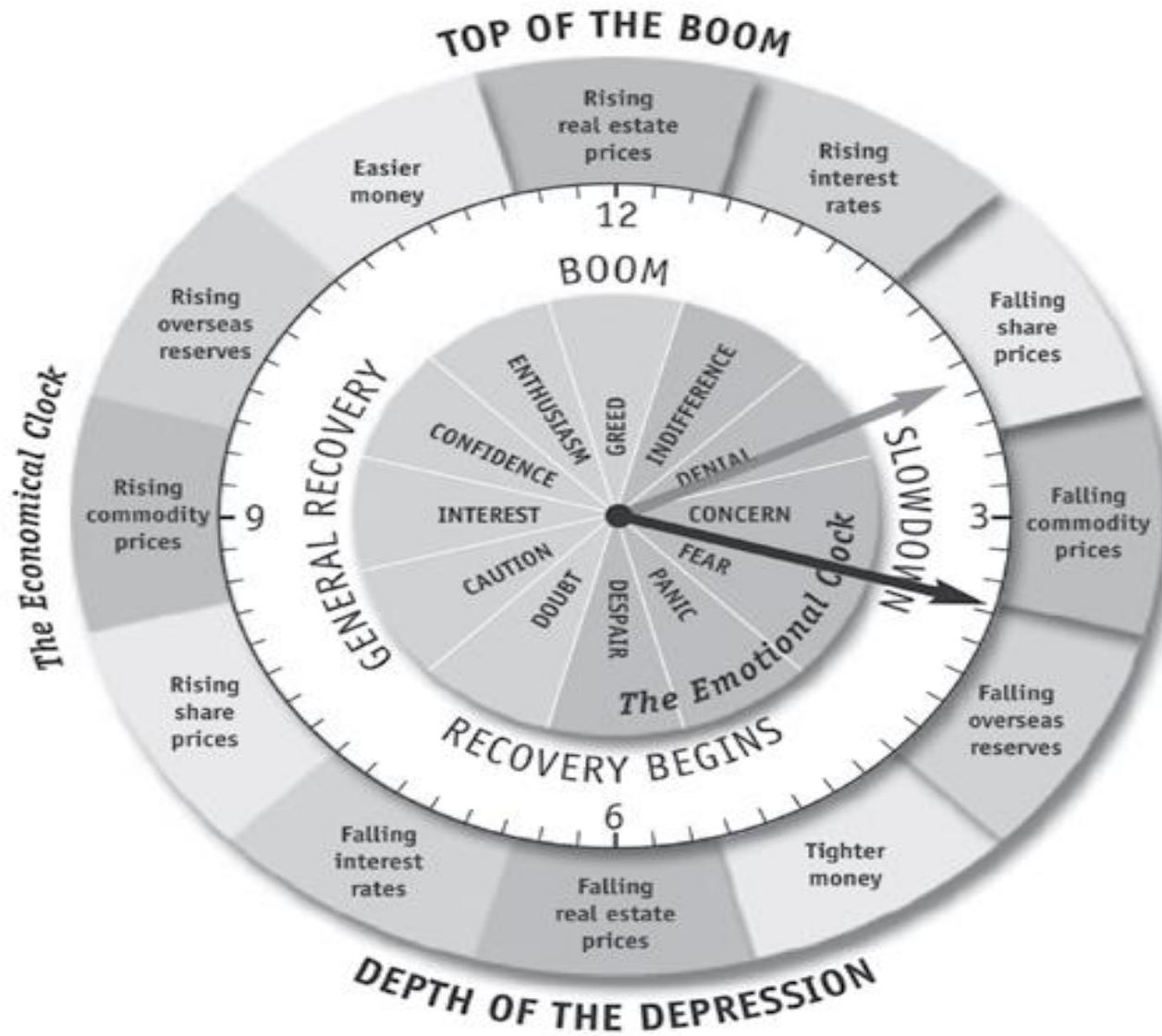
MIKE RONDEL, BDO CHRISTCHURCH LIMITED  
JUNE 2021

# CONTENTS

- The Economic Clock - where are we now??
- Leading Through Changing Times - 10 Key Strategies & Questions to ask
- Forecasting and Planning - some quick reminders
- Key Takeaways



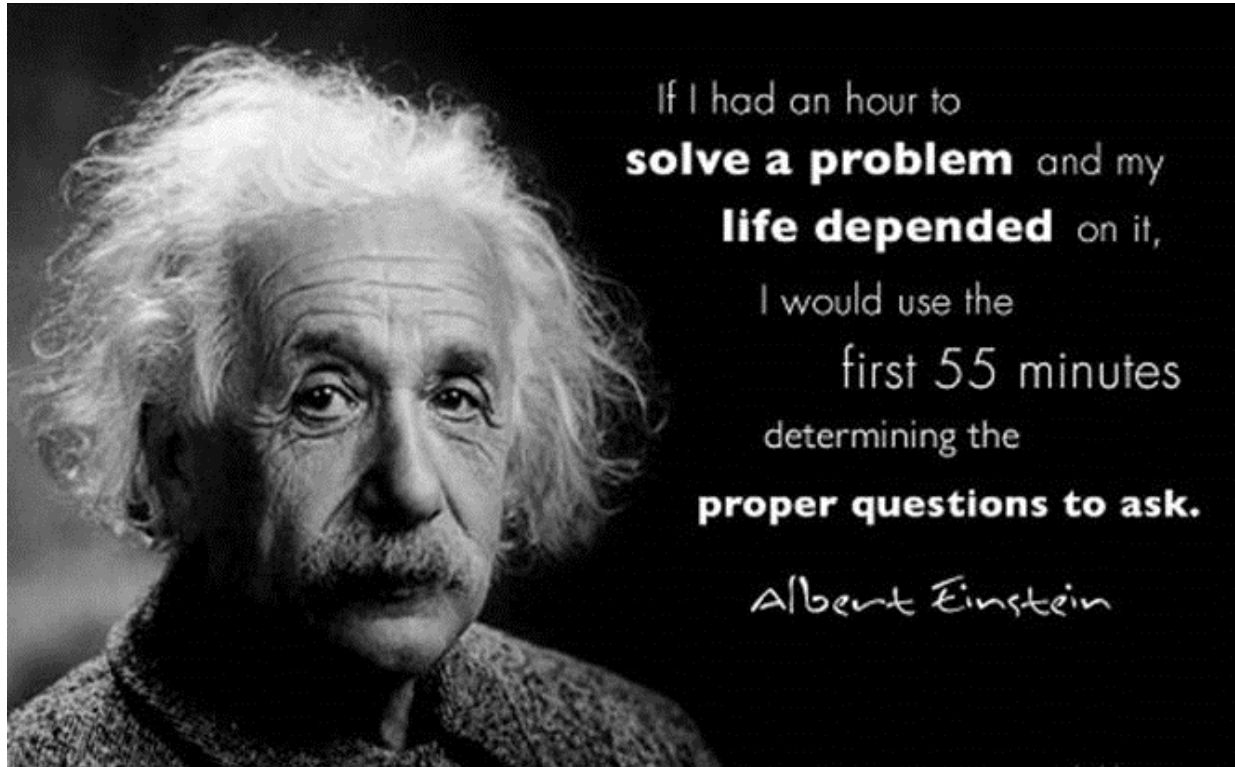
# SOME CONTEXT - WHERE ARE WE IN THE ECONOMIC CYCLE?





# WHERE TO FROM HERE??

- Covid has provided an almost unprecedented economic situation
- The golf industry has experienced growth not seen in decades
- Where do we go from here and how do we plan and forecast?



What are the Key Questions?

# Leading Through Changing Times: Ten Strategies for Generating Success

## Strategy #1: Align Costs to Support Revenue Growth

Running a tight ship is good, even when revenue is growing. But don't go so far with a cost focus that you actually impede revenue generation and weaken future activities.

So sure, “tighten the belt” but remember revenue is as important as costs.

Eliminate or reduce expenses that are not contributing to the organisation, or find less expensive sources of materials and services, but be extra careful to avoid cuts that will hurt the organisation in the long run and limit revenue generation opportunities.

**Question:** What can we spend now to support future revenue generation?



# Leading Through Changing Times: Ten Strategies for Generating Success

## Strategy #2: Be Proactive—Not Just Defensive

Cost-cutting or holding costs were strategies for getting through difficult times, but how do you take advantage of increasing revenues?

It's easy to take a “wait and see” attitude, but true leaders are thinking and acting proactively.

**Question:** What new thing are you going to do/provide now that you have some cash??



# Leading Through Changing Times: Ten Strategies for Generating Success

## Strategy #3: Be clear on your Value Proposition

You should always be looking to find ways to be improving value to your customers/members.

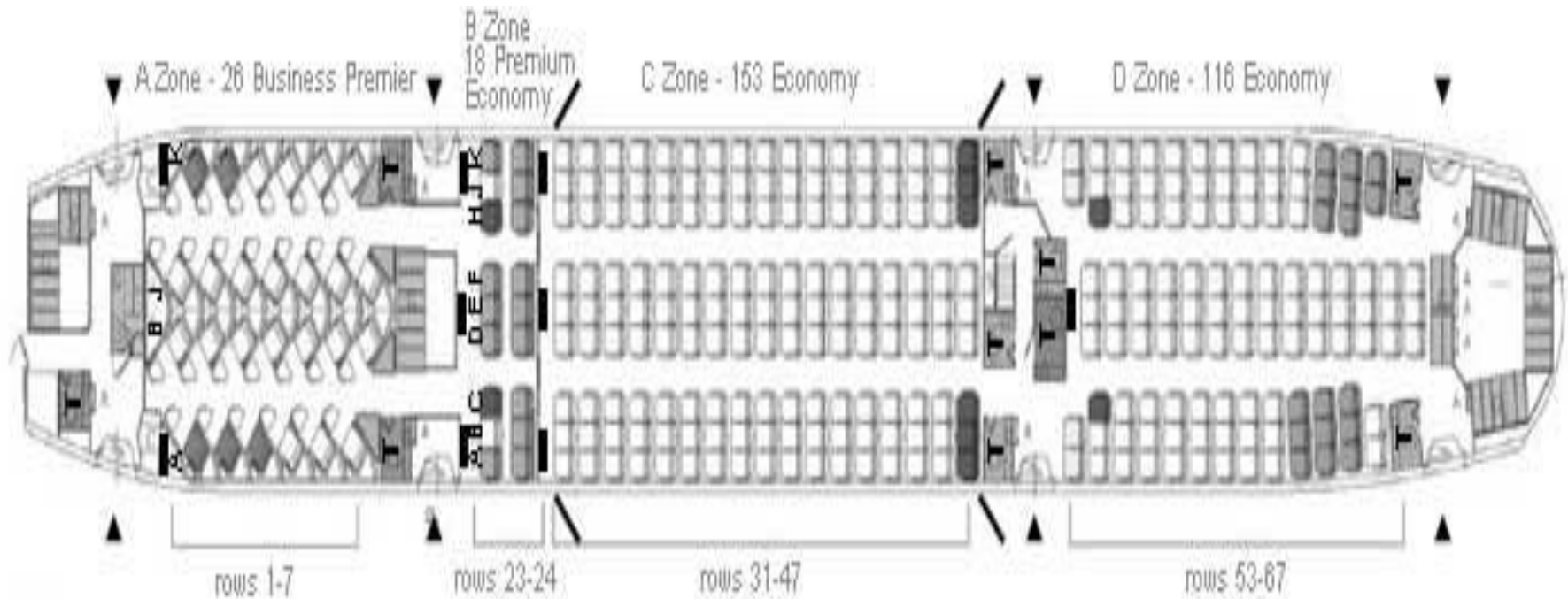
You must be clear what your Value Proposition is and be targeted in how you demonstrate this

**Questions:** What can we do **better** than we have before? What is our **Value proposition**?





# Pricing Models - Be Clear What Value are You Selling and Pricing?



# Leading Through Changing Times: Ten Strategies for Generating Success

## Strategy #4: Stay Close to Your Customers/Members

Find ways to stay close to your customers/members. The strength of your relationships is a key to your ongoing success. There is plenty of competition - don't give them a reason to look elsewhere!

It may also be a good time to go after new customers/members.

**Question:** What are you doing to actively stay **close** to your customers/members?



# Leading Through Changing Times: Ten Strategies for Generating Success

## Strategy #5: Focus on Your People

Success is all about people! This is especially true in challenging times. Why? Because it's natural for morale, motivation, and energy to wane in a challenging environment. People worry about their jobs, and their future.

Contrary to popular (manager) thinking, research shows that good employees are more likely to be looking for other employment during bad times than good times, but keep them focused on the proactive things mentioned above and you can help keep that morale high.

Question: What are you doing to **really support** your people?



# Leading Through Changing Times: Ten Strategies for Generating Success

## Strategy #6: Grow or Die!

Somewhat surprisingly post-covid, it have been easy to grow revenues! This is a not a time to rest on your laurels!!

This is a good time to look at new opportunities to continue to increase and secure your revenues over a longer period in to the future. While you have some funds, look for new development opportunities, especially to add more value to your customers/members both now and in the medium to longer term.

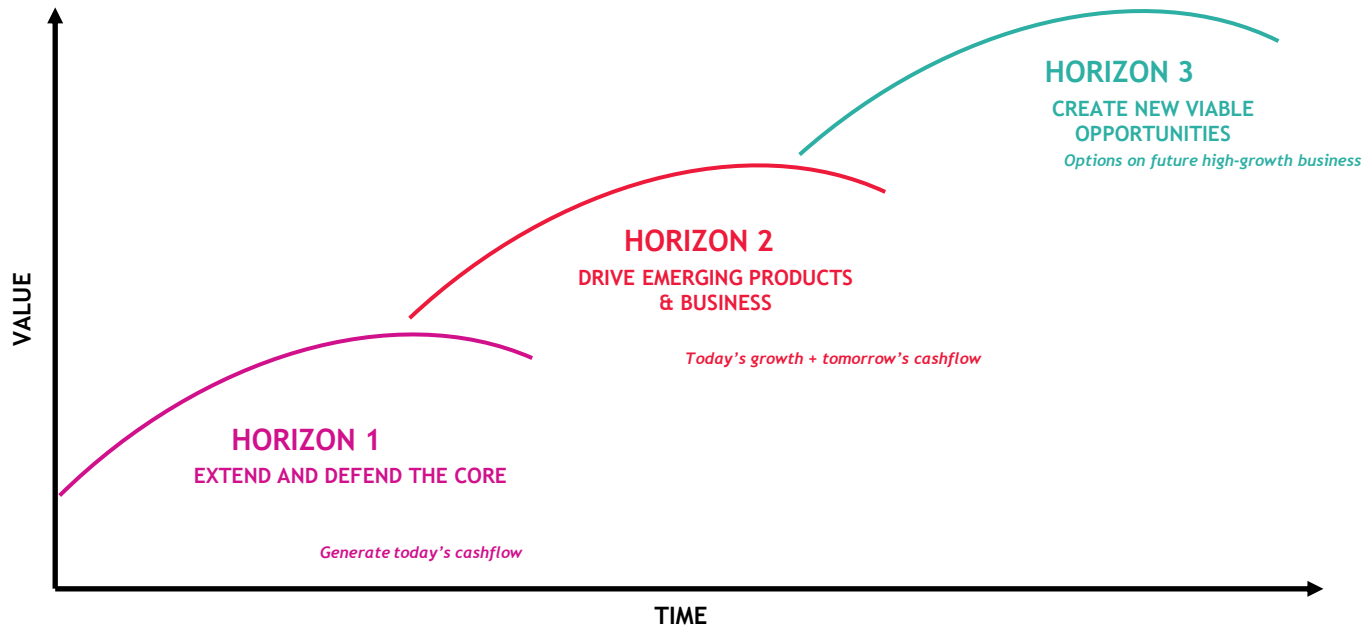
**Question:** How can you **ensure** that your new revenue will be **sustained** or **grow**?



# CREATE NEW OPPORTUNITIES

## The Three Horizons of Growth

“Only an Exceptional Business Manages to Sustain growth when its core Business Matures”



Source: “The Alchemy of Growth” Baghai, Coley and White (modified)

# Leading Through Changing Times: Ten Strategies for Generating Success

## Strategy #7: Improve Management Systems and Embrace Technology

Good management systems are crucial to success.

Technology is the great enabler - embracing technology will provide efficiencies and better outcomes for customers and your team.

**Questions:** What have you done to improve your management systems in the last 12 months?

How are you embracing technology to improve your organisation?





# Leading Through Changing Times: Ten Strategies for Generating Success

So far, these are all strategies about the business of the organisation.

Less attention is typically devoted to the next group of strategies, because they require governance and management to take a look in the mirror at themselves.

There's normally plenty of room to improve the governance and management dimensions, and when you do this, you will create the momentum that can make your organisation the moving forward and keep it there

# Leading Through Changing Times: Ten Strategies for Generating Success

## Strategy #8: It's Not Just About Doing!

While the actions taken are clearly important, it's actually often what's going on inside people's minds that makes the big difference between an organisation being healthy and achieving and one that declines.

That's the all-important "feeling" aspect, which is reflected often in the values that the organisation expresses.

To be successful your people need to feel successful and positive. Attitude and mindset is critical.

**Question:** Are your team **feeling happy and successful**  
- how do you know?





# Leading Through Changing Times: Ten Strategies for Generating Success

## Strategy #9: Get into the Right Mind-set



Leaders can take all the right actions, but it's what's going on in their minds that sets the stage for success.

What's your vision and mission?

What's your strategy? Where are we headed?

What do we believe is possible?

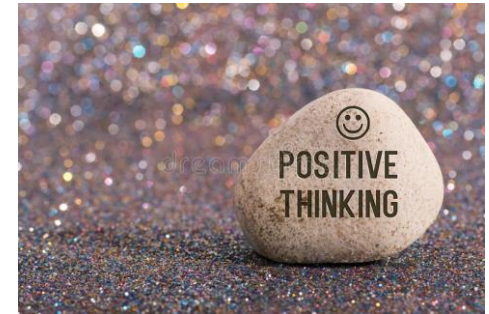
People need a vision and a compass. This is a time for leaders to paint the vision of the organisation that is building on the current positive wave in the industry.

**Question:** Does your organisation have a **clear vision** and **strategy**, relevant to the current environment?

# Leading Through Changing Times: Ten Strategies for Generating Success

## Strategy #10: Get Some Attitude!!

Good leadership is also about what's going on in leaders' hearts.



Employees are very good at sensing this. It's about passion for your organisation, the customer/member experience and value you're creating—and gratitude for the people who are doing it.

People want a sense of togetherness - your team and your customers/members. In changing and challenging times it's a sense of togetherness that makes people feel like they belong and fosters loyalty.

This passion **needs** to be **modelled by leaders** - Board and Management. Winning leaders have “attitude.”

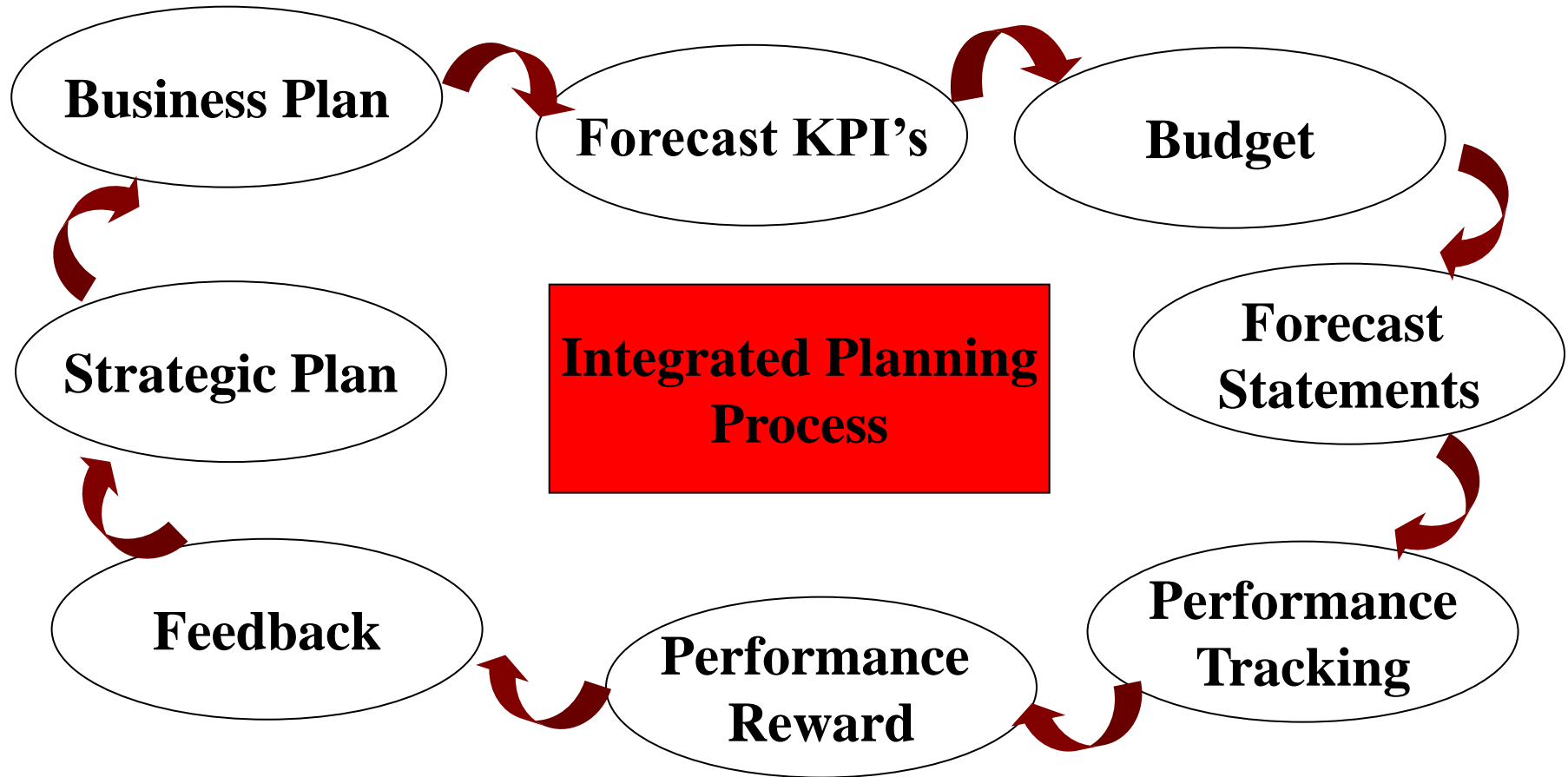
**Question:** Do you and your organisation have a **positive attitude** to how you operate and communicate?

# So what does all this Mean for Financial Planning

- Your existing budgeting processes may not serve you well as often they are too rigid and backward looking
- Using historic data may no longer be that useful
- Linking financial strategy & planning to overall strategic planning has **never been more important**
- For the first time in a long-time we can be future focused

"Far better an approximate answer to the right question, than the exact answer to the wrong question" - John Tukey

# Reminder - Budgeting is an Integrated Process



# Key Factors to Consider When Developing Budgets and Forecasts

- Budgeting and planning are not one-off events
- Review all external and internal factors
- Involve everyone (where appropriate)
- Be realistic and look ahead as much as back
- Allow Flexibility
- Re-Forecast at least quarterly to reflect changing events
- Integrated systems may be required

*Perfect can be the enemy of the good!*

# Some Overall Key Takeaways.....

**Ask yourselves the important questions!**

**Make sure your strategy is up to date** - have a clear vision and future focus

**Leverage innovation and technology to deal with challenging issues**, especially around hot-button issues such as sustainability and environmental change.

**Invest in your people**, make sure you have effective performance management and development tools in place

**Sustain cost-efficiency measures** don't let the current positive revenue cycle allow inefficient spend to come in to your organisation

**Ensure your Budgeting & Forecasting is robust**, in changing times your old systems won't cut the mustard!





Embrace the Changing times - and good luck!

“Change begins at the end of your comfort zone”

*- Roy T Bennet*

“Change is inevitable - growth is optional”