

5 Steps to Recession Proof Your Business

One of my favorite authors, [Robin Sharma](#), also coaches clients like GE, IBM, FedEx, and Coke. He recently released a video called "The 5 Fastest Ways to Recession-Proof your Business." Click [here](#) to watch the video. It is over 10 minutes long, so I will summarize for my blog.



1) You can't win a race to the bottom. Many businesses are cutting prices in an attempt to gain more business and market share. When doing this, you train your customers to see less value in your offering. Thus, you will continue to charge lower prices. This often leads to lost profits and not being able to stay in business. Sharma suggests you should compete on value by offering superior products and services.

2) Shift from busy work to work that matters. Many entrepreneurs spend significant time on the phone, reading and responding to email, and surfing the internet rather than doing the work that really matters. Fake work wastes time. Sharma says that not only should you have a To-Do list but also, and more importantly, a STOP doing list. Also, focus your most productive time on the highest value work. Studies show that this is usually from morning to lunch.

3) Disrupt instead of being disrupted. Sharma uses the

example I used recently of Netflix and Blockbuster. Don't rest on your laurels and remain still as the world around you changes. If you are not innovating, evolving, or even adding incremental value regularly to what you are doing, then you risk the chance of being disrupted.

4) [Grow leaders](#) faster than your competition. In tough times, you can get distracted and scared dealing with various other issues and fail to take the time to train your team. Double the amount of time and money you use to prepare your team if you want to triple your profits. Do this, so everyone, in their role, feels like the CEO.

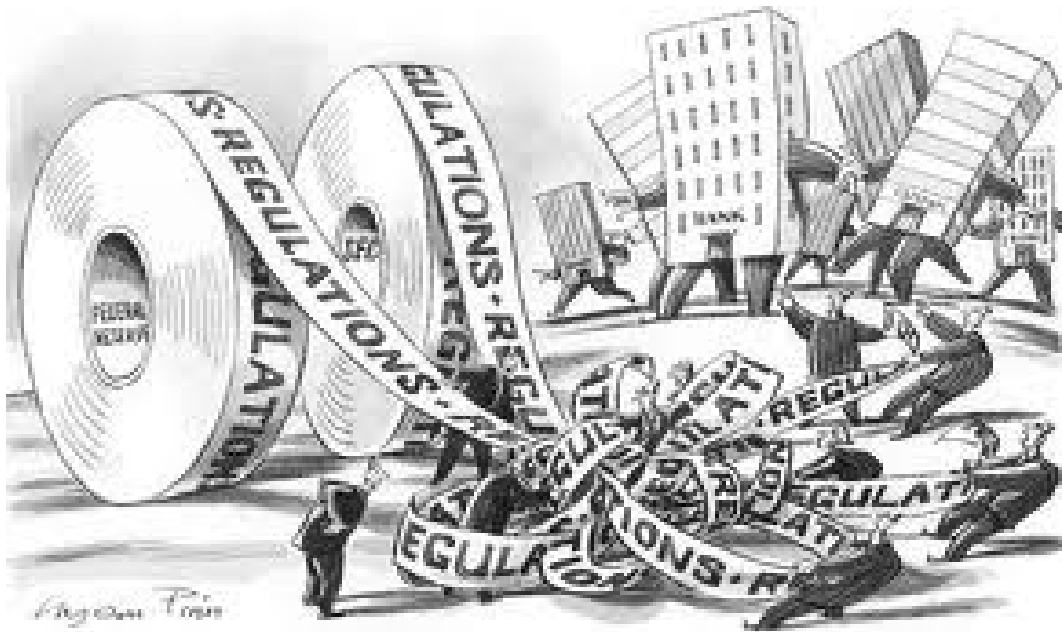
5) Take the time to develop your 2.0. What is going on outside of you reflects your mindset. Bulletproof your mind to deal with the world by bringing to work the right attitude, the right mindset, the right confidence, and the right gratitude to handle the tough times. Also, have the right physical stamina by eating right, drinking lots of water, and working out. When you get all of those things right, you will be amazed by the improvements in your business and your life.

How recession proof are you?

[Creating a Jobs Economy](#)

Our nation is struggling to create jobs. You've likely heard that regulations have limited businesses' capital, making it difficult for them to hire or expand. Have you wondered what

types of changes to these regulations would help this economy create more jobs? Let's discuss a few key changes that have worked in the past to encourage companies to grow and hire more people.



Many regulations create a big problem for the economy. Which regulations and policies are stopping us from creating the jobs that we are missing? Amity Shlaes writes an interesting article in the Wall Street Journal, [Three Policies That Gave Us the Jobs Economy.](#)"

The first game changer implemented a venture capital investment increase from \$39 million in 1977 to \$570 million in 1978, an increase of 15 times! What policy changed? They cut the capital gains tax rate from 49% to 25%. In the 1960s, the rate had been raised. What happened then? As Amity says, "The mid-1970s were a dead period." The decrease in the capital gains tax rate generated investments and growth in businesses, which actually brought in more tax revenue for the government.

The second big policy change adjusted the [ERISA law](#), which regulated pension and retirement plans. In 1974, they

instituted the prudent man rule, which said that pension plans would be violating their fiduciary responsibility if they invested in risky startup companies like Apple at that time. They relaxed these regulations in the late 1970s, and as a result, more money was invested in small, younger start-up companies that create most of the jobs, as I discussed in an earlier [blog post](#).

The third major policy change centered around intellectual property rights and clarified how ideas in universities and research departments could be sold or used for commercial benefit. Subsequently, so many great ideas surfaced after having been pushed aside on a desk or stuffed into a file cabinet simply because, until that moment, no one had the incentive to go out and reap the benefits.

The lessons here are plentiful! We need to continue to lower the cost of capital transactions and capital gains. When we take from the people with capital, we always get slow growth or dead periods, not more jobs or government revenue. Amity suggests the major regulations of today include [Dodd-Frank](#) and [Sarbanes-Oxley](#). We need to change these policies and reduce the burdens they place on businesses.

Most entrepreneurs understand this instinctively, but we need to share this data with others. Shout it out loud and clear to the policy makers because this information is vital if their real agenda is to create jobs and improve the economy and not just to maintain power.