

A close-up photograph of a person's hands playing chess. The person is wearing a white shirt. One hand is moving a silver chess piece (a king) on a black and white checkered board. The board is filled with various chess pieces, including gold and silver ones. The background is blurred, focusing attention on the chess game.

Recession-proof your strategy in five easy steps



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Step 1: Fine tune your strategy

Strategy evaluation is crucial in pre- or post-recession periods when risk is high. Consider these questions with your team:

- Is our inventory replenishment process still effective, or have we experienced costly miscalculations?
- Is our growth being inhibited?
- Where do we have roadblocks restricting our supply chain instead of enabling more business?

If any aspect of your business is at risk of going south (or already there), the first step is identifying weak spots and creating a better strategy. There are always several approaches to consider based on your objectives, and it's beneficial to research solutions that can help you pivot without getting in the weeds.



Step 2: Work smarter, not harder

To protect the bottom line in the murkiest times, you need to work smarter instead of harder, requiring smarter tools in your arsenal. Data science and technology solutions can help provide the extensive insight necessary to create a resilient supply chain. Still, it's worth clarifying that Excel spreadsheets and ERP or WMS systems are not equipped to provide the oversight your business needs on a day-to-day basis, let alone in the face of a recession.

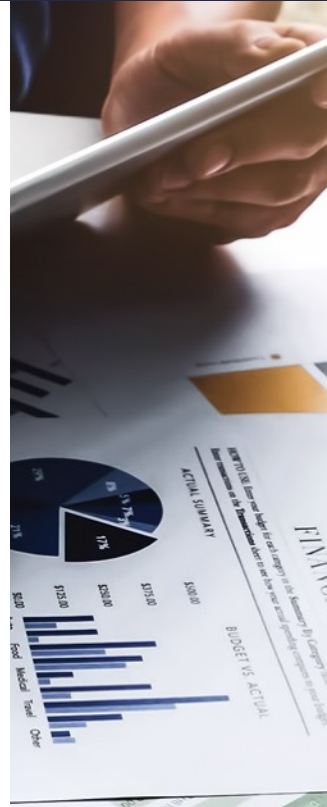
According to **Supply Chain Management**, investing in process mining, machine learning, deep learning, and other artificial intelligence (AI) forms is necessary to capture the most comprehensive data. The information alone, however, is just one critical element; how it is organized is equally as important. Data should be centrally located, easy to digest, and structured in a way that allows for collaborative planning. **When you invest in intelligent instruments, the payoff is accuracy, quick access to pertinent insights, and the ability to make better decisions despite obstacles.**



Step 3: Combine your resources to make the best decisions

There's an underestimated foe that cripples the earning potential of many businesses: disengagement. When every decision links to a dollar and the health of your business, following the status quo simply isn't enough to guarantee success. To truly make more informed choices, top-down and department-wide engagement must occur. Your best resource is your people, and when you combine their insight and expertise with accurate historical data and smart technology, then – and only then – can you implement a **sales and operational planning (S&OP)** strategy that can elevate your processes and your profits.

In most cases, the driving force behind implementing an S&OP strategy is the need for greater forecasting accuracy, collaboration, and alignment. Accurate forecasts are the foundation of sound inventory planning, and without collaboration within your network, even the most robust plan could suffer during the execution phase. Furthermore, S&OP aligns your revenue and financial objectives with your operations strategy so that each business sector can work together harmoniously towards the same goal (your true north).



Step 4: Control what you can

If there's one disclaimer, we must add that even the best strategy won't shield your business from everything because you can't control everything. Luckily, there's an enormous amount that you can control, and by focusing on and refining those areas, external factors and unforeseen circumstances don't have to be frightening.

Increasing visibility is the first step to having more control over your supply chain. Simply put, you can't fix what you can't see. Real-time visibility into inventory and shipping is key to ensuring a responsive, resilient, and competitive supply chain. When you have eyes on all functions at all times, you avoid overstocking and stockouts that threaten sales and customer satisfaction. Don't have enough time for that? That's okay! Companies that desire growth and stability are looking to invest in visibility-enhancing solutions that constantly capture details and provide alerts when needed. That trend is anticipated to rise in the coming years.



Step 5: When in doubt, go green

Sustainability might be a buzzword in today's business environment, but it holds exceptional weight with consumers. There's definitive evidence – particularly in the retail sector – that green efforts have a price: as many as **57%** of consumers are willing to change their purchasing habits to help limit negative impacts on the environment, while **71%** of consumers believe that traceability matters (so much so that they'd be willing to pay a premium price to shop with brands that provide it).

Trends are some of the most significant business indicators, and as such, your supply chain resilience strategy must take sustainability into account. As a distributor, showcasing environmentally friendly efforts can be tricky, but it's not impossible. For instance, making your warehouses eco-friendlier (i.e., timed lights to conserve energy) and improving your shipping methods (i.e., compostable packaging and naturally sourced materials) are small ways to make a big ripple with consumers. Additional steps you could take include highlighting all efforts to go green on your company's website, considering contracts with suppliers who share the same values, and sending each shipment with a note about the environmental value of your product.



Building a resilient strategy isn't one-size-fits-all, but following these five steps will help you create a plan that can guide your business to success even in the face of a recession. Artificial Intelligence (AI), S&OP, visibility, and sustainability should all be a part of your foundation, and with the right tech solution, you can surpass the competition - not just survive. For more information on the trends and technologies that can prepare you for success, visit our [resources webpage](#).



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