

29<sup>th</sup> June 2009

## **WEST'S AWAKE AND SURVIVING THE GREAT RECESSION**



Galway has a long tradition of Entrepreneurial Spirit and even in the darkest days of the 80's and early 90's managed to achieve one of the highest growth rates of any European City at that time.

Galway born and resident Cathal Melia, a Client Services Director with Russell Brennan Keane says "Galway's Entrepreneurs have historically been able to spot business opportunities in all environments and tend to be flexible and resourceful enough to maximise the opportunities they create. The resourcefulness of Galway's business community old and new should stand them in good stead in these challenging times as they bring some entrepreneurial spirit back into their thinking.

We have been involved in instances where companies encountering a downturn, have re-assessed their business models and as a result are now in a better position to face current trading conditions imposed on them and have a business model which is sustainable in the long term. Areas where we have assisted clients in taking positive actions include:

### **Innovating**

In order for any business to develop and have long term sustainability it is essential to identify new products or services or adapt your existing products or services to what is needed in the current climate. There has never been a better time to do this given the generous credits now available for Research & Development spend.

### **Look after customers**

At the centre of any business is a loyal customer base. In many businesses the "80/20 Rule" applies, i.e. 80% of your business comes from 20% of your customers. Make sure you know who your best customers are and meet them regularly to make sure you are meeting their needs both now and into the future.

### **Keep your best staff**

Ensure you don't lose your key employees due to any uncertainties they may have. "Renegotiate salary packages; introduce performance based pay models etc. in line with where you want your business to be in the future. Everyone knows the real challenges that businesses are experiencing and most staff are willing to work with employers to ensure there are jobs for as long as possible" said Cathal.

**Cash flow planning**

Cash is the life blood of any business and you can only afford to run out of cash once. In many instances cash flow solutions exist in the business itself as against seeking external assistance from banks etc.

**Acquire another business**

There are plenty of businesses not achieving their potential and with the proper management and direction, these businesses could be turned around. These businesses can be acquired at reduced values and on favourable conditions in the current climate and can offer diversity or secure a crucial item in your supply chain.

**Monitor the vital signs**

There are key financial indicators that give an instant read on the state of health of any business, such as asset ratio, stock turnover and liquidity ratio. The important thing is to identify the most pertinent ones for your business and monitor them closely.

**Re-assess the business & revise your business plan**

Review your business plan to ensure that your business idea still has the same potential in the current market. If not, take remedial actions now.

It's easy to get caught in the downward spiral but there's a range of positive steps that can be taken to generate positive momentum in your business. So, in the traditional Tribesmen spirit of things be proactive, take action where necessary, be confident and bring the energy back to your business and be the best in the West.

If you would like to speak with Cathal Melia or require further information, please call 090 6480685 or 01 6440100 or email [cmelia@rbk.ie](mailto:cmelia@rbk.ie).

**ENDS**

**About Cathal Melia**

Cathal holds a Bachelor of Commerce Degree and Higher Diploma in Education from NUIG and has over 13 years experience in audit and business advisory services. He has extensive experience in driving profit and growth in leading privately owned businesses and in helping them achieve their full potential.

**About RBK**

Russell Brennan Keane is one of Irelands leading business advisory and accountancy firms. With 50 years experience providing professional advisory services to a range of clients in the mid to large corporate market in Ireland, from offices in Dublin, Athlone and Roscommon.

**Russell  
Brennan  
Keane**

Your partners in growth

## **PRESS RELEASE**

**Press Contact:**

Gillian Mullan

Tel: + 353 (0)90 6480667 / 0860585245

Email: [gmullan@rbk.ie](mailto:gmullan@rbk.ie)

---