
Pull Away From the PANIC BUTTON!!

Tighter times are upon us, but calm and prudence will overcome, writes Noel Whittaker, director of Whittaker Macnaught, a division of HBOS Australia - Extract from Sunday Mail Brisbane article 16.11.2008

The season of goodwill is shaping up as the season of gloom. Property and share markets are falling, state governments are ramping up taxes to try to balance budgets that have been bleeding due to falling revenues, and there is even talk of Australia moving into recession.

It's not a pretty picture but those of us with grey hair have seen it all before, and know we will get over it if we hang in there. I appreciate it's easier said than done, but one of our greatest enemies is fear itself, and in the 21st century, we are vulnerable to a range of intangible enemies - job loss, inability to pay bills, or even fear of losing your home.

Once we become fearful we start to feed off each other. A story told to me by my father explains it beautifully. It was about a man who lived by the roadside and sold hot dogs. He was hard of hearing so had no radio, and he had eye trouble so he didn't read newspapers, but he did sell great hot dogs.

He put up signs telling people how good the hot dogs were, and he boosted the message by yelling out, "Buy a hot dog mister?".

Business grew so he increased his meat and bun orders and eventually bought a bigger stove to handle the increasing demand.

But one day it all changed. He had a visit from his son who was on university vacation.

The son said, "Haven't you been reading the newspapers? There's a big recession. The European situation is terrible. The domestic situation is worse."

Whereupon the father thought, "Well my son's been to university, he reads the newspapers and he listens to the radio. He ought to know."

So he reduced his orders, took down advertising signs and no longer bothered to stand out on the highway selling hot dogs - sales fell almost overnight.

Yes, it was fear that destroyed his business, not a real or imagined recession.

Let's get some facts clear. The International Monetary Fund has NOT forecast that Australia is entering recession. It HAS forecast the UK and America and several European countries are either in recession now or about to enter it, but its forecast for emerging and developing countries is their growth will slow, not turn negative. The forecast for Australia is that growth may slow considerably but will not turn negative, which means we are not going to have a recession even though times may get tough.

In the second Boyer Lecture Rupert Murdoch pointed out that, even though technology is changing our world for the better, the most valuable asset any business can have is its people.

For those in business the lesson is clear: this is the time to hang onto your best people and do everything you can to give better service to your customers so you will continue to make a profit even if sales are down.

Employees should realise the best asset they have is their skills and experience and should be focusing on improving these and at the same time making appropriate cuts in their own personal budgets so they can get through until the good times return.

Despite the present gloom, there is still a lot of good news about. Interest rates are forecast to drop much further, petrol prices are tumbling, and even the gloomiest forecasters are predicting the upturn will happen before the end of year.

Those of you who hang on will emerge from these problems much better for it.

