

A Report From the Front Lines of the Economic Battlefield

What the economic prognosticators, posturing politicians and academics who read, write and then report never see.

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I am not revealing any big secret when I say that this is a brutal economy.

As a business owner for the past 28 years I have seen and survived my share of economic downturns and recessions. And like anyone who had a business "back in the day" I clearly remember the banking crises that economically crippled this state in 1991. The rest of the country was in a recession and we were in a depression.

But what I am seeing this time around is a horse of a different color.

For the past 4 years my business has been to serve as a consultant and an advisor to business owners, executives and managers at all levels in a variety of industries. In addition I am partners in a business organization called the EClub which is exclusive to Rhode Island business owners.

So, I not only engage at the owner level but my work also puts me in the trenches along side the executive and middle managers as we work together to implement strategies and game plans designed to respond to the current and emerging economic conditions.

Because of this I have an opportunity to get a bird's eye view of what is happening on the front lines of the Rhode Island economy.

My work and my conversations allow me to take the pulse of those who are on the front lines of challenging economy. I like this because I get to both work beside and hang out with the men and women who are the true warriors in this economic battleground.

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And make no mistake about it, for many in Rhode Island, this is a battle for survival. That does not mean that every company is struggling because there are companies that are doing OK and even a few that are thriving.

But, even those who are not struggling to survive are working very hard to keep from falling into that space.

So while we all are hearing a lot from the prognosticators, politicians and academics I want to share with you what it is that I am seeing as someone who is on the front lines of this economic battle ground.

A Report from the Front

Granted all of what follows is anecdotal but the sources are the women and men who do what others are reporting on and making predictions about. So in my opinion they are the most accurate source of information for what is happening. They have no reason to misrepresent their experiences or their thinking.

The following is a summary of what I see. First the dark side.

~The improvement in the stock market is irrelevant to the owners and employees of small businesses in Rhode Island.

~Orders are slow in coming or frozen. Buyers are holding off to see if 2010 will even show any *signs* of improvement.

~Business owners and their managers know the stimulus money will have no impact upon them. It is for others. We pay, others get.

~Cash flow has slowed to a trickle. Companies are struggling to make payroll and pay taxes so they can keep their people and prevent government from fining them or forcing them to close their doors.

~Relationships between suppliers and vendors and banks and companies are being strained. No one thinks their money is safe and the entire financial supply chain is being constricted. The oxygen supply is slowly being cut off.

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~The weak companies have already slipped into oblivion and the next tier is becoming weaker.

~Companies are laying off people they need. They need their institutional knowledge, they need their experience but they can't afford to keep them on the payroll with no end in site of the economic downturn.

~The workforce is unsettled and morale is delicate. People are edgy, concerned and distracted. This impacts production and strains the relationships of teams.

~The prognosticators, politicians and academics who say the recession has ended have lost all credibility because they are "report the news" while we are living it. And what we are living is not what they are reporting.

~We all know that state and municipal governments are going down too and that we are going to see taxes and fees increased. The government never goes hungry for long before taking what it wants.

~There is much uncertainty about how deep the recession will go, how long it will last, how many other "shoes" are about to drop. People are feeling that there must be other bubbles waiting to burst.

~This recession is hitting people more personally than most because the mortgage crises and the foreclosure problem hits the individual directly.

And Now for the Rest of the Story.....

Like many of you I am a realistic optimist. I also have tremendous faith in the capabilities, toughness and resilience of people in the business community.

You are the ones that create jobs and turn economies around.

So here is some of what I see which is reason for hope.

~Those who run businesses in Rhode Island are some of the toughest and smartest business people in the country. This is because they have found a

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way to survive and prosper in a state that consistently ranks at the bottom of the country for business friendliness.

~These same people will find the ways that will ultimately get us back to prosperity while the politicians and bureaucrats, who understand nothing about running a real business, work to "fix" the economy. They have faith in themselves and no faith in the politicians. This means they aren't waiting around for someone to bail them out. They are working to turn things around themselves.

~Gratitude. There are many people who are really getting centered on what's important and take nothing for granted anymore.

~Increased communication. Many companies are communicating better amongst themselves. Trying times force us to work together or perish.

~In companies with a healthy culture the teams are pulling together. There is even an interesting level of camaraderie happening amongst competitors.

~Innovation. Companies are seeking new ways to be profitable and efficient. This recession will end by virtue of people innovating themselves out of it.

~The passing of time. Although I personally don't see this recession ending any time soon I do know that every day you make it thru takes you one day closer to the end.

~The human spirit. Carl Jung stated "What does not kill us serves to make us stronger." The men and women in the business community will not give up. There is a tenacity that I am witnessing where people are determined to persevere and to work through the challenges this economy is presenting.

Conclusion

So, I want to thank all the men and women who own Rhode Island businesses for doing their part to help keep their companies afloat and their people employed. I also want to acknowledge those at the executive and management levels in these businesses for dealing with the added stress, making the tough decisions and holding things together while trying to get through these tough times.

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To me, they are the unsung heroes of this recession. They are the ones who do all the hard work to keep the fallout from this economy from becoming worse. They are also the ones who will ultimately turn it around.

So regardless of what the prognosticators say we have a long way to go before the country will be out of the recession and because of how poorly managed our state is we will be among the last states to recover.

But eventually this too will pass. In the meantime the next time you talk to a company owner thank them for their efforts and try to imagine what this recession must be like for them. Not only do they have their families to be worried about they also have the stresses of a business and all of its employees and all of their families. Make no mistake about it they carry that heavy weight 24/7.

And unless you have experienced that type of pressure you really can't relate to it. So here's to them! Thanks.