



TRILLIUMFS

RECESSION-PROOF YOUR Business

Scale Up or Scale Back with Flexible FM Outsourcing Services

Current State of the Economy

The past couple of years have been a whirlwind. The 2020 pandemic was a missile directly into the US economy with many companies large and small affected by the virus. Then, it seems as though much of 2021 was spent “catching our breath” only to be dealt multiple blows here in 2022.

Many economists have their views on what a recession is defined as, but I like this one: “Recessions - defined as two consecutive quarters of negative economic growth - can be caused by economic shocks (such as a spike in oil prices) financial panics, rapid changes in economic expectations, or some combination of the three.” source

In my view, we are already in a recession. The tech sector has seen growth and tech stocks tumbling more than 80%. With gas prices at all time highs, we may see other sectors - such as travel, vacations, restaurants and entertainment - contract.

What has been interesting over the last several years is the insane valuations of “unicorns”. With all the printed money sloshing around in the economy, both private and public companies enjoyed soaring valuations while the actual operational and financial fundamentals never justified it.

Elon Musk recently tweeted:



If you’re reading this, you’re likely looking at the next dip in the economy and trying to figure out where to cut costs and keep your business agile during uncertain times. Now, businesses are preparing to tighten their belts and find ways to provide the same service with fewer resources.

This eBook will discuss the impact of economic downturns on businesses, what not to cut so that you don’t lose sight of the big picture, areas for cost savings and some strategic tips to start implementing now, as well as how outsourcing some aspects of facilities maintenance gives you the flexibility to scale up and scale back as business circumstances change

Fundamentals Matter

What we are entering into is a season of pruning and re-alignment and with the right perspective, it's actually very exciting. But what's a company to do? **Focus on Fundamentals.**

Business is very simple if we have the right perspective. So what does "focusing on the fundamentals" mean? Here's my short list:

- **Get your finances right, both personally and professionally.** This is a time where strong financial governance, budgeting, and overall stewardship is key. Eliminate unnecessary expenses including staff and other overhead. Remove unprofitable customers, unprofitable product or service lines, and anything that isn't on mission.
- **Get your gameplan right.** Be clear on the strategy and keep it simple. When Alan Mullaly was focused on turning Ford Motor Co around, he had a 1 page business plan. Why do we need chapters of business plans? Who has time for that? Get a 1 pager in place and focus like a maniac on execution.
- **Get your team right.** This is a big one because it's people who make the biggest difference. They're the ones building the technology, serving the customers, building the teams - they're the ones "baking the bread." This is the time to get people off the bus that you can't really afford anyway, who aren't mission focused, and who do not have strong cultural & core value alignment.
- **Execute, execute, execute.** This is the time to execute well. Beyond the data, one of the signals I look for in my company to determine if we are actually busy or not is meetings and deliberation. If we have time for many meetings and deliberation, we aren't busy. Execution is what wins championships.
- **Bold Leadership** - the above items take bold leadership, but don't lose perspective. These are cycles, the world isn't ending. Be bold, be decisive, look people in the eye and get the ship going in the right direction. Now is not the time for indecision and wavering, it's the time to step up.

During recessions, business decisions have to be made that will keep the business open, maintain product/service levels, and ensure there's a plan in place to quickly scale up when the economy rebounds. But, it's important to remember that recessions come and go. Don't make knee-jerk decisions today that will negatively impact your business tomorrow.



What Not To Cut

Disciplined operators should consistently review expenses, but that isn't often the case. Frequently, operators get comfortable with a cushioned budget and then whiplash into "cut everything" mode when tough times come. Doing this could actually destroy your company. Executed well, the following investments can keep a company at par and prep for acceleration on the economic rebound. Here's what we are focusing on investing in:

Marketing & Sales - Cut the nonsense or unnecessary expenses, but do not cut marketing and sales. If possible, increase your ad spend, increase the quality of your website, increase blog posts. Go full court press in this area because that's the lifeblood of any company! I love Mark Cuban's quote "sales cures all", and it certainly does. The ailment to our business problems typically lies within topline sales, gross margin %, and net profit %. It's really that basic.

Training & Leadership Development - Cutting a training budget is easy until you wake up and realize you don't have anyone to promote because there are no leaders. Instead of waiting on the economy to get better, focus on the micro-economy of your business by investing in the people who grow your business on the front line, daily interacting with your customers. Spend time with your people and pour into their life so they grow both personally and professionally - it doesn't have to be expensive.

Culture - this is a time to invest in culture. Get clear on mission, core values, and what you stand for. As a leader, this is more of a time investment than a financial investment. But the culture is the business. What can be replicated is what the business does but what cannot be replicated is who the business is and how they deliver. Don't skimp here because the identity of the company makes the biggest difference in all other aspects of the enterprise.

Business Tools & Software - Keep your software updated and your employees trained to prevent downtime, data breaches, and other software snafus that could cause you to lose business. Do not skimp on technology that help you effectively run the business. Yes, get rid of unused subscriptions, but make sure your team has the best possible tools so they can serve customers best.

Facilities & Equipment - Likewise, keep physical equipment in good working condition. Don't skimp on preventative maintenance for your facilities or equipment, as paying a small amount for maintenance today could save you from costly replacement tomorrow. Maintaining (or not maintaining) your facility and equipment can have a lasting impact -- both financially, and to your brand's reputation. Fortunately, there are ways to save money on facilities maintenance that don't require you to sacrifice quality

Remember, branding isn't just about your website and logo. If you have physical locations, how your customers and employees perceive your facility has a major impact on your business's reputation. Facility maintenance and upkeep is a key part of branding that many businesses forget about!

Where To Cut Costs

Now let's talk about areas where you can cut costs during a recession.

Before arbitrarily slashing costs, it's important to sit down and do some serious forecasting. You'll want to create several scenarios and forecast sales all the way down to the worst case -- which would be 'survival' -- just keeping the doors open. For each scenario, forecast revenue and expenses and identify areas where you could cut costs to make the scenario viable. It's hard work initially, but it's better than guessing and will help your leadership team make data-driven decisions. The key is to be proactive; start planning now before sales start slipping.

Some of the first areas many businesses look at include: **Staffing, Material costs, Production costs, Capital projects, Outside services, Amenities, Employee benefits (above and beyond benefits, such as gym memberships, onsite child care, or stocked break rooms)**

There are also many strategic ways you can save money, such as:

Leveraging Technology - Scalable technology that allows you to automate workflows can save you money on human resources and overhead. Of course, it's critical to have employees that know how to properly leverage your technology to get the most out of the systems. Training an expert should be considered a long-term investment.

Cross-Training Employees - During a recession, the reality is that many businesses have to reduce staff and the remaining employees have to carry the load. While some employees are resentful during this time, 'wearing multiple hats' can actually be a great thing. When business rebounds, those employees that you have trained and developed to manage multiple departments and roles are more likely to stick with you long-term.

Outsourcing Services - Not every company needs a dedicated marketing or IT department. For services outside of your core competency, or for services you need infrequently, consider outsourcing. By outsourcing, you only pay for services when you need them, versus paying for dedicated full-time employees. Services to consider outsourcing include:

- Marketing/social media management
- Human resources
- IT
- Customer support
- Facilities services

We don't believe in locking you into a contract - We have no minimum order value, no minimum contract value, and no minimum time commitment. Trillium is committed to easy, free onboarding and smooth transition if you chose, with 30 days' notice. We also do not require exclusivity, so you're free to try us against our competitors.

Build Flexibility Into Your Infrastructure



Unless you're a 100% virtual company, you have some level of infrastructure to maintain. There are many ways you can structure your facilities maintenance department. The most common include:

Traditional - In a traditional model, your facilities maintenance department is fairly rigid. You pay a set salary for a facility manager (\$56k-\$125k average), plus the cost of an in-house handyman, plumber, electrician, etc. that your FM oversees. You have more overhead in a traditional model, but you have immediate access to a professional when you need something done.

Outsourced - In an outsourced model, you pay a full-time facility manager who oversees subcontractors that you outsource for services. This saves you money on overhead, but your FM spends all of their time managing vendors. Additionally, you're at the mercy of the vendors your FM hires and their contract terms and/or variable pricing, so it can be more difficult to forecast expenses.

Flexible - In a flexible model, you use a facilities management company, like Trillium Facility Solutions for flexible, end-to-end outsourcing. You may still have a dedicated facility manager that works with Trillium, especially if you have a lot of infrastructure. Or, your point of contact may be an office manager or other person in your organization. The advantage is that you work with just one company that manages vendors on your behalf, and you have the flexibility to scale up or scale back as business conditions and needs change



Benefits Of Trillium's Flexible Facilities Maintenance



With a flexible facilities maintenance model like the one Trillium offers, you are in complete control of your service level.

Trillium features a true 1 vendor, 1 call, 1 invoice business model with nationwide coverage and no minimum time commitments.

The benefits of partnering with Trillium for flexible facilities maintenance include:

We handle all admin/coordination - Save time not chasing multiple vendors. We collect all W9s, COIs ETAs, and invoices. We manage customer sign-offs, ensure work is complete and offer quality assurance.

We vet quality vendors - We have a nationwide network of quality, licensed vendors that have been fully vetted, trained, and onboarded using Trilliums service plan.

We negotiate volume pricing - Because we have a large base of customers nationwide, we are able to negotiate volume pricing with local vendors.

We onboard every client for free - We believe that onboarding is simply a part of customer enablement, and clients shouldn't be penalized for it. Onboarding is always free and simple.

We offer 24/7/365 service management - Our phones and email inbox are monitored around the clock by a Trillium teammate. No bots here!

We offer a work order management system - Our proprietary system, SimpleFM lets you manage service with the click of a button. You don't even have to pick up the phone to call us!

We do NOT believe in hidden fees - Our value is encompassed in our hourly rate, and there will never be hidden fees on your invoice. If you choose to use SimpleFM, you'll pay one clearcut fee of \$99/month.

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Stay The Course!

The reality is that it's been a tumultuous few years, and we're not out of the weeds yet. But we will be. The key is to stay the course and find strategic ways to keep your business agile. Remember, this is temporary. Don't make rash decisions that will hurt your business when the economy rebounds.

Facilities management is one of the smartest areas to outsource because you can continue to maintain your facilities and equipment, while saving money and not negatively impacting your reputation or ability to generate revenue.

With flexible outsourced facilities maintenance, you can:

- Reduce overhead
- Leverage volume pricing
- Reallocate in-house staff
- Scale up or back as needed
- Eliminate vendor management
- And still keep your facility in tip-top shape!

Want to learn how Trillium Facility Solutions can help you weather the upcoming storm? Contact us at (844) 344-3433. One of our amazing team members is standing by and would love to help!