

SMALL BUSINESS · ECONOMY

Most Businesses Shrink in a Downturn. A Few Come Out Ahead.

What 1991, 2008, 2020 and research across three recessions say about the businesses that grow through hard times, and a 30 day plan to start now.

Australia is **slowing, not collapsing**. June quarter GDP grew 0.4%, only matching population growth, and the Reserve Bank lifted the cash rate to **4.60% on 29 September 2026**. CommBank expects growth of around 1.5% for the rest of the year.

Australia has been here before

When	What happened	The lesson
1990 to 1992	Cash rate above 17% in early 1990; unemployment peaked at 11.2% (Dec 1992)	Watch cash and debt
2008	One quarter of falling GDP, technical recession avoided	Keep following up while customers hesitate
2020	GDP down 7% in the June quarter, first recession in 29 years	Change how customers reach you, early
2026	Growth stalls, cash rate 4.60%	A slow squeeze rewards steady habits

Harvard Business Review, "Roaring Out of Recession" (2010)

- Studied **4,700 public companies** across three US recessions.
- **17%** went bankrupt, were acquired or went private.
- About **80%** of survivors had not regained pre-recession growth three years later.
- Only about **9% flourished**. They became more efficient while still investing in marketing, customers and growth.

The question is not whether to cut

It is whether you cut the things customers notice or the things they do not.

■ Four habits of the winners

- Cut waste, not reach.
- Stay visible where results can be measured.
- Stay close to existing customers.
- Be the easiest business to contact.

■ Six mistakes to avoid

- Cutting everything by the same amount
- Going quiet
- Discounting for everyone
- Letting the phone slide
- Buying on price alone
- Waiting to see

■ Why the phone matters more now (illustrative)

Caller	Misses the call	Answers
New customer at 12.30pm	Voicemail, no message left	AI agent books a quote visit
Regular with an urgent problem	Tries a competitor "just this once"	Person with their history sorts it
Last week's quote	No follow-up, cheaper rival wins	Follow-up call wins the job
7pm enquiry	"We are closed"	AI agent captures the job

■ A 30 day plan

Week	Focus	Do this
1	Costs	Mark each payment "customer would notice" or not. Cut the "not" list first.
2	Calls	Check a month of missed calls. Fix with ring groups, apps, missed-call SMS, AI answering.
3	Customers	Call your top twenty. Follow up every open quote.
4	Cash	Same-day invoices, SMS reminders, ring overdue accounts, plan six months.

If cash is already tight

Get help early. The free Small Business Debt Helpline is on **1800 413 828**. It is far easier to fix a cash problem in October than in February.