

Einblau Economic Round Table

March 19, 2009

Featuring Dr. Roslyn Kunin, PhD.

Ron Einblau, Einblau & Associates

“Don’t Panic!” were the opening words which set the tone for Dr. Kunin's introductory presentation at the Einblau Economic Round Table. She went on to focus on the various bottom line economic indicators (employment, exports, investments) which describe our current economic climate. “Be Patient” were her closing words.

Roslyn was quick to point out the differences between world conditions now as compared to the world conditions during the economic depression of the 1930’s – differences that suggest this economic recession may last another 12 to 18 months before we “feel” things improving, but not 10 years. What we are experiencing is not as deep a recession for Canada as were the 4 year early 1980’s recession and nowhere near the 10 years of the 1930’s economic depression.

Looking at today and forward, Dr. Kunin confirmed that businesses need to restructure and closely manage overhead. There is, for some, a dramatic drop in short term business – in particular manufacturing and the service sectors. There is at the same time a continuing demand for professional/technical talent.

Balancing responsibilities of reducing capability (this means people) in some areas, while at the same time bringing in capability in other areas of the business requires open, honest communication – in the same way it has always been required to be a respected employer. This kind of employer attracts and retains talent despite economic times.

Roslyn stressed the need to continue investing in your business (both people and plant) so that you will be ready to quickly respond when the turn-around starts. She discussed very practical examples of job sharing initiatives for both professional and union employees. Now is the time, she said, to provide technical and nontechnical training to key employees in order to ensure their readiness for the turnaround, and also to give the clear message to them that they are highly valued.

The bottom line: Plan for 18 months of careful, watchful business management; Canada will recover more quickly than the US; Start looking now for markets that are not dependent only on the US. Use the good credit you have to your advantage, talk to your customers, and invest to increase productivity.

Make it obvious to the people you need to keep that they are part of the longer term. Gain their cooperation in looking for ways to accommodate less business, and maintain the maximum capacity and breadth in capability possible.

Most of all, she cautioned us....be patient, don’t panic.

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