



## Forrester: The Best Defense For Business Leaders During The 2023 Economic Downturn Is A Proactive Offense

January 26, 2023

*To navigate this downturn, CEOs will need to simultaneously reduce spending while continuing to invest in their organizations' long-term strategy*

CAMBRIDGE, Mass.--(BUSINESS WIRE)--Jan. 26, 2023-- According to [Forrester's](#) (Nasdaq: FORR) "[Navigating The 2023 Downturn](#)" research, the current global downturn will unfold in ways unlike any economic decline previously experienced. While prior recessions have followed a boom-bust cycle, the 2023 downturn immediately follows a pandemic that has already disrupted business models and forced organizations to pivot their business strategy. Additionally, multiple factors contribute to the complexity of this downturn, including inflation, energy costs, supply chain challenges, regional conflicts, and changing worker demographics. These factors will uniquely combine across regions and industries, ensuring that each country will experience it differently.

New research from Forrester offers proactive measures to help business leaders across technology, marketing, sales, customer experience, digital, and security and risk effectively manage this downturn. Specific guidance for CEOs includes:

- **Stay focused on long-term strategy by making smart cuts and smart investments.** When facing prior recessions, many leaders imposed cuts across the board. This brute-force approach is likely to hurt more than help, however. Many leaders also assume that, as they make cuts, they can't pursue new investments, but in reality, this moment is ripe for CEOs to do exactly that. In addition to establishing a customer-obsessed objective and then making smart cuts with that objective in mind, leaders should move forward by investing in technologies that can improve customer experience, employee experience, and productivity, even as others choose to stand still.
- **Put talent at the center of the long-term strategy.** Currently, 54% of US workers and 43% of both UK and French workers believe that their organization will make personnel decisions in a careful and human-centric way. When considering cuts, CEOs should identify the individual contributions and skills that will take their company into the future and invest in a talent intelligence program that thoroughly tracks worker skills and performance capacities.
- **Choose the right customers to obsess over.** During this downturn, CEOs must realize that it's equally important to decide which customers not to serve as it is who to serve now and in the future. Ultimately, underperforming markets lead to underutilized operations, neglected technical debt, and the waste of valuable resources that can be aligned to better opportunities.

"This economic downturn is unlike any other recession businesses have experienced so far," said Sharyn Leaver, chief research officer at Forrester. "As a result, business leaders can't rely on what has worked previously. They will need to think differently and adjust their products, processes, and customer experiences. This research has been designed to help business leaders make smart, growth-minded choices that support their organizations' long-term strategy."

### Resources:

- Read Forrester's report, [The CEO's Guide To Navigating A Turbulent 2023](#).
- [Explore](#) Forrester's budget guidance for 2023, outlining where business leaders should invest, divest, and experiment to ensure long-term success.

### About Forrester

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