



Preparing for Downsizing

In today's tumultuous economy, no one is immune to the possibility of losing a job. Here are some suggestions about how to prepare in case that happens to you.

It's the start of a new year, but, for some, 2009 isn't bringing the usual anticipation and optimism. The unemployment numbers reveal some hard economic truths—truths that we're hearing about over and over again. I would venture that most of us know at least one person who has lost or is in danger of losing their job. That person may already be you.

One advantage we management accountants enjoy over other professionals is a unique position from which to recognize early on if our organization is experiencing financial difficulties. And if we do start seeing “the handwriting on the wall” that tough times are ahead, we can personally begin to prepare for the likely—or let's hope unlikely—event that we'll be on the wrong side of downsizing.

Perhaps it's my Boy Scout background, but I've always believed in being prepared. And being prepared for downsizing means doing things now that will help soften the impact should you wind up losing your job. Some things are obvious: Reduce your standard of

living; keep at least six months in cash in reserve; pay down your personal debt.

Being prepared also means cultivating your professional network. Now's the time to renew associations and professional friendships. Of all the places to cut back, your professional memberships shouldn't be among them. In fact, membership in organizations such as the Institute of Management Accountants (IMA®) is more important than ever because those contacts could potentially help turn your situation around. The same goes for maintaining job skills and certifications, like the Certified Management Accountant (CMA®), because, as the job market tightens, those extra differentiating factors become even more critical.

If the dreaded downsizing does occur, much of the same advice applies. Continue to curb your standard of living, including eating out less, reducing spending on entertainment and leisure, and deferring big purchases. Don't dig yourself into a deeper hole, too, by adding to your credit card debt.

When looking for a job, use the resources that your IMA membership offers. Get involved in your local IMA chapter, and tell your

colleagues that you're looking for employment. One easy way for chapters to help their members is to organize networking events or even casual get-togethers that can connect people seeking work with potential employers. It could be as simple as starting a monthly chapter meeting an hour earlier to allow this to happen.

Another great resource is the IMA Career Center, found on the IMA website at www.imanet.org/development_career.asp. This tool offers the largest targeted network of job postings in accounting and finance, and it's available free to all IMA members.

And while looking for another position, be open to something new. In fact, if your current industry is really sagging, consider how your skills might be applied somewhere else. Meet with people in other industries, and find out what they do and how they do it. I know it's not easy to change—I myself have been in banking for 25 years—but, for some of us, change is both good and necessary.

Please remember that IMA is here to provide support and assistance whenever possible. And feel free to contact me at fschea@imanet.org. **SF**