

## SURVIVING THE GLOBAL CRISIS



**PENNY SPENCER**

**COMPANY:**  
Spencer Travel  
**FOUNDED:** 1998  
**STAFF:** 20  
**TURNOVER:** \$20m

PENNY Spencer is, to her cost, at the front line of corporate cutbacks.

As founder and chief executive of Spencer Travel, an agency specialising in business trips, she's seen revenues suffer as companies trim expenditure.

But Spencer says that, far from getting her down, the crisis has renewed her entrepreneurial spirit.

"In a strange way, there are many positives that have come out of the crisis, in that it makes you get back to your roots and become more creative," she says.

"When you're busy and doing well, you often forget the basics: keeping close to your clients, keeping overheads to a minimum, looking at cheaper advertising and marketing.

"I just started thinking originally again — about how to get the very best deal and how to win new customers — like I did when I was starting out."

Spencer's client base is still there, but flying less and buying cheaper travel, so she's looking to make up the leeway by attracting new customers and specialising in different areas.

Although Spencer was the first Australian travel agent to sell a trip into space with Virgin Galactic, the market for \$260,000 excursions outside the Earth's atmosphere that last just three hours has dried up.

Now she's keeping her feet on the ground and looking for new business closer to home.

"We've started delivering leaflets in our local area — something we would never have considered before — and we're doing deals with companies to offer prizes to give people an incentive to come to us."

Spencer is now diversifying into the cruise market, something she had only dabbled in until recently.

"I've joined an organisation called Cruisecco, which is essentially a bulk buyer of cruise deals. This enables us to offer packages at the cheapest possible price," she says.

Those initiatives are helping, but the crisis has taken a toll on Spencer Travel.

"Last October, when I saw this was coming, I made two people redundant," Spencer says. "I put a contingency plan together, detailing exactly how much we needed, month by month, and what to do if we didn't hit those targets.

"I've stuck to that, and it has meant considerable changes."

In December and January, Spencer put her staff on four-day weeks. From March until the end of June, they're on nine-day fortnights.

"My staff understand," Spencer says. "They'd rather be working nine days than be out of a job."

Spencer plans to return to normal working weeks in the new financial year, but still predicts rocky times ahead.

"I can't see the economy really turning around until early next year, so it'll be a tough few months," she says.

"The key is to stick to your contingency plan, however painful.

"I think that when we come through this, we'll be a leaner, more efficient company that can really benefit from an economic rebound."

— NICK GARDNER

## GOLDEN RULES

- Set a contingency plan and targets and stick to them.
- Don't be afraid to make difficult decisions, the sooner you make them the better.
- Be positive — the way you speak is important and sends messages to your staff. Be a strong and optimistic leader and your staff will feel more positive.
- Know your financial situation on a daily basis — don't wait until the end of the month to see if it's going to be OK.
- Cash is king — keep as much as you can.