MSME OWNER'S PLAYBOOK · BONUS 07

4 Ts of Investing in Your Business

Stop cutting budgets that drive growth.

WORTH ₹499 — YOURS FREE

For every founder whose first move in a cash crunch is to cut the exact things that would have grown them out of it.

THE PROBLEM

You Cut the Budget to Protect Cash. Revenue Dropped Anyway.

When cash got tight last quarter, Anita's first move was to pause the marketing budget and freeze hiring. It felt responsible. Three months later, revenue had dropped further — and now she had no pipeline and no one to chase the leads that did come in.

You've watched this happen to people you know — the friend who cut training "just for this year" and never restarted it, the cousin who paused every discretionary line the moment cash felt tight, every single time cash felt tight.

The instinct wasn't wrong. The list was. Cutting spend to protect cash makes sense. Cutting the specific spend that was actually driving your growth does the opposite of what you intended.

WHY THIS HAPPENS — AND WHO'S REALLY RESPONSIBLE

"Discretionary" Doesn't Mean "Unimportant." You Just Filed It That Way.

This one sits with the founder, every time — because you're the one who labelled marketing and training as "nice to have" long before the cash crunch ever hit. The crunch just revealed the label you'd already assigned.

Three reasons this keeps happening in businesses like yours:

Discretionary spend feels safe to cut because nothing breaks immediately — the damage shows up months later, disconnected from the decision that caused it.

You've never separated "cost" from "investment" in your own budget — every line item looks equally cuttable in a panic.

There's no rule for what to protect even when cash is tight, so the decision gets made emotionally, under pressure, instead of in advance.

ROOT CAUSE ANALYSIS

Let's Actually Get to the Root of It

Run the "5 Whys" on Anita's cash-crunch cuts — the same drill-down you should run on your own last round of belt-tightening:

THE SYMPTOM ***"We cut costs to protect cash, and revenue dropped anyway."***

↓ **Why?**

WHY #1 We cut marketing and training first because they felt optional.

↓ **Why?**

WHY #2 We never separated "cost" from "investment" in our own budget.

↓ **Why?**

WHY #3 There's no rule for what to protect even when cash is tight.

↓ **Why?**

THE ROOT **We treat every line item as equally cuttable, so in a crunch we cut the very things compounding our growth, and keep the fixed costs that don't.**

Run this on your own last round of cuts. The root is rarely "we had no choice." It's almost always that no one had decided, in advance, what was actually off-limits.

LIKELY SOLUTIONS — AND WHAT EACH ONE ACTUALLY GETS YOU

Four Ways Owners Try to Fix This

A Cut Everything Evenly by a Fixed %

What you get: A decision that feels fair and quick to make.

What it costs you: Kills growth-driving spend as fast as low-value spend — no discrimination, no strategy.

B Cut "Soft" Costs Like Marketing and Training First

What you get: Protects visible day-to-day operations.

What it costs you: Kills the exact things that would grow you out of the crunch — often the first and worst instinct.

C Borrow to Avoid Cutting Anything

What you get: No immediate pain, business runs as normal.

What it costs you: Interest burden stacked on top of an already tight cash position.

D Apply the 4 Ts Test Before Cutting Anything

What you get: You protect what actually compounds and cut what genuinely doesn't.

What it costs you: An honest, disciplined review — harder than a panicked, even cut.

THE RIGHT DEFAULT BEFORE YOUR NEXT ROUND OF CUTS

THE RECOMMENDED PATH — STEP BY STEP

Protect What Actually Grows You, Before the Next Crunch

01 **List every discretionary cost you're tempted to cut**
Everything — marketing, training, tools, memberships. Get it all on one page.

02 **Tag each one honestly**
Does it drive revenue or retention, or not? Be ruthless about the difference.

03 **Protect anything tagged "drives growth"**
Even if it means cutting somewhere else first, before you touch this list.

04 **Renegotiate before you eliminate**
Many "cuts" can be deferred, resized, or renegotiated instead of killed outright.

05 **Review this list every time cash gets tight**
Don't rely on memory or panic in the moment — rely on the list you made calmly.

HOW TO AVOID THIS GOING FORWARD

Make It a Habit, Not a Hope

Decide what's off-limits in a calm moment — never in a panicked one. Build these habits before you need them.

- **Build a "protect list" now**, before the next cash crunch, while you're thinking clearly.
- **Review investment vs. cost labels every quarter.** What compounds can shift as your business changes.
- **Never cut training or marketing to zero.** Resize it if you must — don't kill it entirely.
- **Track ROI on your top 3 discretionary spends** so the next decision is made on data, not fear.

The businesses that survive a cash crunch aren't the ones that cut the most. They're the ones that cut the right things.

THE SIMPLEWORKS FRAMEWORK

The 4 Ts of Investing

Protect these even when cash is tight. Everything else is negotiable.

T **Talent**

The people who directly drive revenue or retention. Losing them costs more than keeping them.

T **Tools**

Systems that save time or prevent costly errors — cutting these often costs more than they save.

T **Training**

The skill gaps that are actually capping performance right now — not training in general, this specific gap.

T **Trust**

The marketing and brand spend that keeps you top-of-mind with customers between purchases.

> *Four Ts, protected on purpose. When cash gets tight, cut everything else first — these are what get you growing again.*

ABOUT SIMPLEWORKS

One Consultant. Four Connected Disciplines.

Simpleworks Consulting is a boutique advisory practice built for Indian MSME owners — founded by **Prem Menon**, drawing on 39 years across Consumer Durables, Tyres, Telecom, and IT/SaaS. The philosophy is simple: strip away complexity, and give founders tools sophisticated enough to work — and simple enough to run without a large team.

Every Simpleworks engagement draws on four connected practice areas, because strategy, go-to-market, execution, and measurement are rarely separate problems in a real business.

01 Business Strategy

The smallest set of choices that makes every later decision easier — where to play, and how to win.

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02 Go-to-Market

Turning the strategic choice into revenue — the right segment, message, channel, and price, working as one coherent system.

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03 Execution Enablement

The operating rhythm — meetings, decisions, ownership — that converts intent into outcome.

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04 OKRs

The feedback loop that tells you honestly whether the strategy is working, and holds the system accountable.

Four lenses on the same question: how does your business get from where it is, to where you've decided it should be?

LET'S TALK

You've Seen the Problem. Let's Protect What Actually Grows You.

If this booklet described your last round of budget cuts, that's usually the first sign it's worth a real conversation — before the next crunch, not during it.

Reach out. No pitch, no jargon — just a straight conversation about your business, your growth, or whatever's keeping you up tonight.

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