

**BUSINESS PLANNING FOR FACING A RECESSION 2023****Kirana Azza<sup>1)\*</sup>, Alicia Oliver<sup>2)</sup>**<sup>1)</sup> Bina Nusantara University, Indonesia<sup>2)</sup> Universidad of Mexico, Mexico

\*Corresponding Author, E-mail: kirana1@gmail.com

**ABSTRACT**

**Background.** Recessions are typically defined as significant slowdowns or contractions in a nation's economic activity. When a nation endures a prolonged decline in its economy, it is referred to as a recession. Generally, this condition is defined by declining GDP (gross domestic product) for two quarters in a row.

**Research Purpose.** To describe business planning for facing recession 2023.

**Research Method.** The researcher used a literature review from journals, books, and the internet to gather information on the topic of business planning for facing a recession in 2023.

**Findings.** Many journals and books found that getting ready for the possibilities and difficulties of a possible recession in 2023 starts with money and employment issues. Establish an emergency reserve, the size of which you may not realize for some time. Because a recession in 2023 can result in the layoff of a large number of people, a corporation must also control and reduce How its firm managed to survive the shock recession.

**Conclusion.** Spend time wisely and avoid squandering it, as doing so would be harmful to both my business and myself. If more people relax amid the prospective recessions that are anticipated to occur in 2023, it would impair his business's progress and inflict ruin in the century to come.

**Keywords:** Business, Planning, Recession.

**BACKGROUND**

In general, a recession itself is a major slowdown or contraction in activity in a country's economy. The term recession appears when a country experiences a downturn in the wheel economy over a long period. This situation will usually be characterized by a weakening domestic product gross (GDP) for two quarters consecutive [1].

Even though the threat of inflation has been going on for a long time, this threat cannot be ignored, because a recession can collapse a country's economy, such as Sri Lanka which recently - recently destroyed due to being hit by the turmoil of the recession. Recessions can be caused by many things, starting from a shock economy sudden until inflation Which is not under control. Quote Forbes Advisor, sudden economic shocks are the main driving factor for a recession example with the occurrence COVID-19 pandemic [2].

Even though there has long been a risk of inflation, this threat cannot be disregarded since a recession has the power to destroy a nation's economy. An example of this is some of the countries in Africa, which were recently decimated as a result of the recession's instability. Numerous factors can trigger a recession, ranging from an uncontrollably high level of inflation to an abrupt jolt in the economy. Citation According to Forbes Advisor, unexpected economic shocks like the COVID-19 pandemic are the primary cause of recessions[3].

Indicators that serve as benchmarks for a country experiencing an economic recession are as follows: 1) Growth economy which slow or decreases during two quarters (six months) consecutive, 2) Inflation or deflation which tall, 3) Mark import bigger than mark export, 4) Level high unemployment, 5) There is an imbalance between production and Consumption. Early warnings of a potential global economic recession in 2023 are starting to be echoed by various global financial institutions such as the International Monetary Fund (IMF) and the World Bank. The current economic crisis that has occurred in several countries is a clear indication of this emergence of recession. Even, firm research investment Ned Davis Research predicts that there is a 98.1% chance of a recession occurring next year[4].

The following are standard indicators for a nation going through an economic recession: 1) A growing economy that slows down or contracts over the course of two quarters (six months), 2) High levels of unemployment; 3) imports exceeding exports; 4) inflation or deflation; and 5) a mismatch between production and consumption. Global financial organizations like the World Bank and the International Monetary Fund (IMF) are beginning to echo the early warnings of a possible global economic slump in 2023. The recession that is currently emerging is evident from the economic catastrophe that has struck many nations[5].

Quoted from Investopedia, a recession economy is a condition in which where economy something a country experiences a decline in activity in a way significant in a period of time which long. Decline product domestic gross (GDP), increased number unemployment, and decreasing trust in consumers become signs of economic recession in a country[6]. This study aimed to describe business planning for facing recession 2023 using literature review.

## **RESEARCH METHOD**

The literature study approach is used by researchers to gather information about company planning strategies for the upcoming recession of 2023 from books, journals, and other sources. Additional comprehensive data will be acquired to build the piece. The information will then be rearranged and reorganized to make sense of the conversations.

## **FINDINGS**

The potential for a recession in 2023 is on everyone's mind in the world and Indonesia. This is also a thought for entrepreneurs because they must allocate sales, income, and expenditure generated by entrepreneurs regarding the businesses they own. The way to

business planning for entrepreneurs to face challenges and opportunities exists the recession in 2023 is to increase sales with the method of entering the market more in and far. Like initially selling online then from now on it will expand to offline sales too. This is done to become a sales reserve if one day there is a decline in sales from one of the outlets Good That online or offline para businessman can be selling with see potency where Which Still Can carried out. Furthermore, is notice expenditure from businesses that owned which things can still be overcome without having to spend a lot of money? For employee problems, if it's a critical moment and you can't save it because of this recession, inevitably I have to reduce some employee's employees from What it has. If it still forces maintain the business. What it has could be completely bankrupt because it has the remaining money to pay my salary. Maintaining good relationships with clients and consumers is also one of the things planned to keep business this the moment recession later.

## **DISCUSSIONS**

The lesson which gets it after analyzing the potency of recession 2023 in business plans and what I can apply to my entrepreneurship is to anticipate or be more careful early for my business before undesirable things happen, such as maintaining income and expenses [7]. At first, I read a lot of news about this recession but still had Not yet caught more about matter What This and Still respond his wind Then, after studying the recession in a business plan course, I finally understood how terrible it was his If in Century recession Later I No know What just Which must do for face his. From this lesson in 2022, precisely in October, I finally understood and got started planning in a way personally and as a businessman to face the recession in 2023.

An economy's output often rises with time. But economic output growth varies, creating a "business cycle" with ups and downs in the level of economic activity. A business cycle's trough might have weak or negative production growth. Usually, this leads to a rise in the unemployment rate and job losses. While there isn't a single definition for what constitutes a recession, it's widely accepted that one happens when output declines and the unemployment rate rises noticeably [8]. Opinions on the best way to recognize this vary. Recessions cause enormous suffering for individuals and companies, and they may have a lasting impact on the economy and society.

The term "business cycle" describes variations in the rate of economic output growth that account for the economy's "potential output" growing steadily. Real gross domestic product (GDP) is the definition of output, and potential output is the maximum output that the economy can attain when utilizing all of its resources—people, machinery, natural resources, and technology—in a sustainable manner and without unduly driving up prices in the market [9,10].

The four primary stages of a business cycle are peak, trough, contraction, and growth. During an expansion, firms hire more people, families want more goods and services, and prices and salaries usually go up. The economic activity peaks toward the end of this phase. During a contraction, firms lay off employees, families want fewer products and services, and price and wage growth slows. The economic activity slump marks the end of this phase[11].

While there isn't a single definition for recession, several definitions share characteristics related to economic production and labor market results. A sign of low production and growing unemployment rates. A prolonged period of slow or negative real GDP (output) growth combined with a notable increase in the unemployment rate is known as a recession. During a recession, a lot of other economic activity indicators are likewise weak. For example, consumer consumption and company investment are often at low levels. Furthermore, there is an exceptionally high percentage of both families and businesses who fail to repay their debts as well as enterprises that collapse [12]. Given that these signs usually appear when there is a notable rise in the unemployment rate is regarded as a fast and accurate summary indication of many adverse events in an economy since these signs usually appear when there is a notable increase in the rate.

## CONCLUSION

The conclusion from the literature is that using time is efficient and not wasting a lot of time which is detrimental to me personally and my business. Because of the matter, this will hinder the business and also will destroy Century. There will be a recession later if it relaxes amidst the potential recessions that are predicted to occur in 2023.

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