# RISE OF THE ZOMBIES

## How to Spot and Stop the Zombie Business Effect

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people puzzles

# What is the Zombie Business Effect?

The zombie business effect describes businesses that are "stuck in a growth trap" - they're not dying, but they're not thriving either.

These businesses are caught in a reactive cycle, doing the same things year after year without achieving the revenue and profit growth they need.

*It's a productivity issue... year on year, you're not moving forward, you're just treading water. Small, mid-sized businesses... are stuck, they're not dying, but they're doomed in this cycle that's hard to get out of.*

– **Conal Scholes, People Director, People Puzzles**

*People and cashflow are the main drivers of growth. You need solid foundations in finance and you need the right people in the right seats if you want to succeed.*

– **James Lammond, Regional Partner, YRH**

# Four Zombie Zones in Your Business

## 1 People

- Disengaged teams
- Presenteeism (physically present but mentally absent)
- High absenteeism
- Poor employee engagement

## 2 Processes

- Clunky workflows
- Reworking and double-handling
- Manual processes that should be automated
- Systems that don't talk to each other

## 3 Structure

- Unclear roles and responsibilities
- Misaligned leadership
- Lack of accountability
- Confusion over who does what

## 4 System

- Outdated technology
- Spreadsheet-dominated operations
- Lack of automation
- Poor data visibility

# Seven Red Flags for the Business

1. Flatlining performance
2. Increasing attrition rates
3. Harder hiring
4. Rising sickness levels
5. Declining morale
6. Poor cost visibility
7. Reactive management style

# Framework: How to Spot Zombies

## The Leadership Lens

*Ask yourself these critical questions:*

- Are we explaining away every variance instead of finding root causes?
- Do our people know they're zombies? (Spoiler: they usually don't)
- Are we dealing with symptoms rather than addressing underlying issues?

## The Financial Lens

*Ask yourself these critical questions:*

- Are your margins clear and understood?
- Do you have forecasting processes that no one is using?
- Are you paying duplicate supplier costs?
- Do you have old contracts that haven't been renegotiated?
- Are manual processes driving up your costs?

# Five Steps to Stop the Zombie Business Effect

## 1 Build Rhythm

- Implement weekly check-ins with meaningful data
- Create quarterly leadership sprints

## 2 Change the Dialogue

- **Conal** recommends do staying interviews instead of exit interviews

## 3 Implement financial controls

- Ruth Mani recommends introducing what-if scenarios & reviewing old contracts

## 4 Invest in systems

- ensure teams aren't working in isolation
- Create Integrated workflows

## 5 Focus on the root cause

- Use the seven red flags to dig deeper rather than just treating surface-level issues

*You can't recruit your way out of this.*

**– Clare Riches, Regional Director, People Puzzles**

# Quick Wins to Get Started

## Immediate Actions

- Conduct a Zombie Zone Audit using the 4 categories
- Review your last three months of key metrics for warning signs
- Ask your team: “What’s the one thing that wastes the most time in your day?”

## 30-Day Initiatives

- Implement staying interviews with key team members
- Review all supplier contracts from the past two years
- Map your current workflows to identify handoffs and duplications

## 90-Day Transformation

- Set up proper monthly reporting rhythms
- Begin quarterly leadership sprints
- Establish employee engagement measurement

# KEY TAKEAWAYS

- ✓ Zombies don’t know that they’re Zombies
- ✓ Small changes make big difference
- ✓ Data should drive decisions
- ✓ People and finance are your growth drivers
- ✓ Root causes matter more than symptoms

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