

Effective Business Acumen for Tough Times

No, this isn't a Pollyanna article trying to paint a rosy picture of what truly is a dismal business climate. Today's economy is tough and that's that. But you know as well as the next person that the key to business success is a vigilant effort – no matter how hopeless things look – to discover and pursue new opportunities for growth. Fortunately, there actually *is* a business opportunity lurking behind the otherwise depressing economic indicators.

Your Competitors' Response to the Downturn

The real opportunity of a slow economy lies in its effect on your competitors. Many businesses have responded to the current downturn by going into a holding pattern. People just aren't spending, they reason, so why expend any resources on going after new business? They buy time by cutting back on expenses and holding off on programs until "things look better."

Wait at Your Own Risk

Given that the current slowdown is likely to continue for another 12-18 months, choosing to "wait it out" could cost some companies their business.

Other businesses have responded by focusing on sales, but passively. Sales managers

"The guerrilla lives by different rules during a recession than during boom times. The guerrilla attacks when the enemy retreats, and the attack is concentrated where the guerrilla offers specific product or service advantages. Retreating companies leave voids in the market, ideal niches for guerrilla companies."

– from *Guerrilla Marketing Excellence*
by Jay Conrad Levinson

are monitoring the life out of reps, as if watching the numbers more carefully will make them go up. Tracking the sales force's every move during difficult times is ineffective at best and likely to be counterproductive.

What this means for you is that there are fewer "sharks" out there aggressively seeking the same bait. Fewer vendors are actively vying for your prospective customers' attention. And the sales reps that *are* knocking on their doors aren't offering anything that creatively addresses their current top priorities: strengthening their stability and cutting costs to survive

the economic slump.

New Business is There for the Taking... With the Right Approach

Sure, customers are reluctant to spend right now. But if your product or service can help them to cut costs – particularly within the short term – or can strengthen their position in the marketplace, you've got a good shot at capturing their attention ... and ultimately their business.

Now's the time to get creative – not so much with your sales approach as with what you're offering. Look for new ways to help prospective customers, such as proposing better pricing with a longer-term commitment. Innovate ways to provide:

- Better terms
- Restructure Pricing
- Flexibility
- Additional services
- Change the rules

To be effective, these new strategies and tactics must be clear, straightforward, quick hitting and executable. Great ideas won't fly unless customers buy them.

General Motors' response to 9/11 is a prime example of a company taking action to make the best of the worst of times. By offering 0% interest in their "Keep America Rolling" campaign, they stimulated sales and increased traffic to dealer showrooms in late 2001 and early 2002. In answer to the market's "lack of demand" – the primary concern of today's CEOs, according to Price Waterhouse Coopers Business Barometer – GM took the bull by the horns and *created* demand.

Feed Your Sales Force

In the face of slowing sales, GM gave its sales force something to sink their teeth into. You, too, must feed your sales force. Rather than telling them to "move their feet faster," motivate them by giving them new ways to make deals. Instead of taking their time away from selling by requiring additional reporting, free them up to channel more of their energy into creative selling.

There are a number of actions that can be taken very quickly to help improve sales traction. It's a matter of taking the time to listen to you sales organization and customers. Since companies are caught up in the day to day activities it though to step back and look for new approaches. Many companies use an independent resource to work with them to generate a set of fresh approaches that stimulate sales.

Don't Worry, Be Active!

The bottom line is... well, your bottom line.

And it's not going to get any better by doing nothing. Paralysis gets you nowhere. Waiting for times to get better could mean a long and, ultimately, devastating lull period. Look at the slow economy from a fresh perspective, however, and you'll find ways you can leverage today's market conditions to your business advantage.

Northpoint Advisors offers the perspective you need to find the hidden opportunities in today's economy. Call today for a free consultation or visit us at www.northpointadvisors.com or call us at 585.233.6707.

¹ From "Elliott White Springs (1896-1959)", South Carolina Business Hall of Fame, 1999.

Change your approach

"Shortly after September 11, limo companies, staring declining business in the face, were suddenly advertising long distance runs between major East coast cities such as Washington, New York, and Boston. This is a simple example of an active and opportunistic response to an unanticipated external event from an unknown source."

– from "Getting Back in the Game" by Robert e. Mittelstaedt, Jr., Vice Dean and Director Wharton Executive Education, January 2002.