

Recession Survival Kit

Let's be clear about one thing. Real success is sustainable. It lasts and it happens in any economic climate - in spite of external influences - and is not exclusive to soaring economies or to businesses that are lucky. Businesses that survive and thrive in tough times are those which adopt an attitude of discovery rather than resistance.

In tough times, business owners tend to focus on the external environment, and as a result they lose focus on the internal workings of their business. But more importantly, they lose focus on their customers. They panic.

This is where mindset comes in. To be successful, you must be mentally tough and emotionally strong. With the current global financial crisis, the media (predictably) is focusing on the negative. Negative stories sell newspapers, but they do nothing for people's confidence.

Negativity creates a sense of resistance, and while resistance to unpleasant conditions is an expected human condition, it also stymies business owner's capacity to act and focus.

The reality is that in tough times there are just as many opportunities as there are in good times - maybe even more.

A lot of it has to do with mindset and education. You must start with the end in mind and remember the cost of education is always cheaper than the price of ignorance. There are two ways to get an education, the first is the school of hard knocks and the second is the school of prior learning.

I have spent considerable time researching the techniques used by businesses to survive and even prosper in a recession. Here are some of my key findings:

1. **Put your efforts into your existing clients - Relationships are everything**

It sounds obvious, but losing customers through neglect or sloppiness is especially painful in tough times. The cost of replacing them is higher and the difficulty in replacing them is greater.

Just doing what you do competently, or delivering your product as agreed, is not enough to earn your customer's subsequent business. In tough times your competitors will resort to price cutting. If you are not countering this with a quality relationship you WILL lose.

Regardless of the economy, your list of clients and prospects is your most valuable asset. Even more important is your relationship with them and what you are known for.

The truth is that most businesses fail because of an inability to keep customers coming back, rather than an inability to attract customers.

2. **Grab your customer's attention - Be innovative**

Most people in business have unreasonable expectations of the results they will achieve by using plain vanilla advertising and marketing. The one thing your clients and prospects won't put up with is being bored.

The most important thing you've got to do in advertising is to get seen and read. A good example is a pizza shop owner I know of, who instead of sticking her advertising in the letterboxes with all the other clutter, ties her advertising to their fence.

3. **Take advantage of your customers' fears - Become a tiger in your jungle**

In tough times many companies cut back on direct-mail in favour of email or so called easier and cheaper forms of marketing.

Others cut back because of the postal increase, so there is less competition, less clutter in the

mailbox. So the tigers eat even better in the jungle and starve last.

Become a tiger in your jungle. Your competitor's overreaction to changing economic conditions means more opportunity for you. You may decide to target different customers or alter your message, but you should go after them.

4. **Your advertising must get people's attention**

If you cannot make a compelling case in your advertising to choose your business over your competitors, then you have no business spending a cent on advertising.

The truth is there is no such thing as a bad medium (media), only poorly targeted and strategised marketing. Just as there is no such thing as a bad hammer, just one that is poorly wielded.

Here is a five step test you should put all your marketing and advertising through. Does it:

1. Get attention
2. Arouse interest and emotion
3. Tell an interesting story in a believable way
4. Offer an incentive to take action now
5. Ask for action and make it easy for people to do what it is you want them to

5. **Make appropriate adjustments to services, payment options and products**

David Ogilvy, one of the greatest advertisers to live, said: "All advertising should be news. Find ways to present what you do, the services you provide, the products you sell, expressed as news."

Find ways to use what is in the news and on their minds about the economy to your advantage. This does not necessarily mean slashing prices. It may be message related. It may mean arranging better or more finance options.

Better still, focus only on the products and services you sell that produce the bulk of your turnover, and then do it better.

6. **Only run offer-based advertising - Accept change**

I cannot understand the point of advertising without an offer to respond to. If you are really happy spending a lot of money on ads with no accountability, give me a call and I will gratefully accept the money.

Contrary to many famous advertising or copyrighting gurus who maintain that the headline is the first thing you write, the first thing I create is my offer.

The reason the offer is so important, is that it breaks down the major barrier to business - lack of trust and scepticism. In tough times you cannot afford to be boring. Instead make even more outrageous offers, add greater value, use testimonials, bold guarantees and give your clients a compelling call to action.

Today, the world around us changes at the speed of light, yet most business owners change with the speed and agility of a giant iron ore ship, and are destined to meet a similar fate as the Titanic.

7. Agility is the key to success

Few people like change, and frankly that is a natural response. After all no one welcomes disruption.

But there is more danger in ignoring and resisting change - particularly where your customers and prospects are concerned. Being agile is the key, being responsive to their needs and desires.

Success depends on an attitude of discovery rather than resistance, reactions that are opportunistic rather than protectionist. Many businesses experience revolution - but few experience evolution.

In an economic crisis, being agile when it comes to your marketing and sales provides industry and business with the opportunity to change the rules when it suits them and create new truths about how business is done.

Avoid blame - You are the answer!

The truth is that money is made mentally long before it is physically collected. The old saying is true: "People have more hang-ups about money than they do about sex."

If you haven't got it then you need to start looking at your thinking. However in my experience, most people prefer to take the easy option and blame circumstances beyond their control, like a recession, the education they didn't get, the parents they never had, the government of the day or anything or anyone that is handy *other* than them.

In many cases the difference is **acting** on the getting and using of information.

Note: This information is adopted from an article in the December Issue of CEO Online. Further information and articles can be found at www.ceoonline.com

Regards,

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