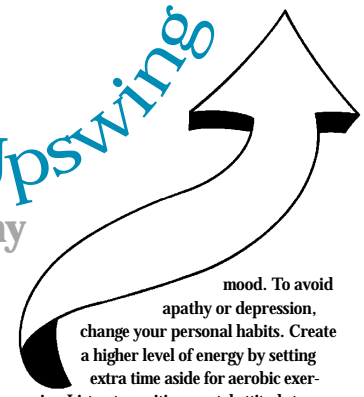


In Need of an Economy Upswing Business, Not Government, Must Improve the Economy



Historically, the economy improves only when people are convinced that it is improving. Apparently, the Bush Administration hasn't been all that convincing because the economy isn't steadily improving. At least, not according to corporate managers and, most importantly, not according to consumers.

We've all seen the deadly warning signs.

- Sales have steadily declined.
- Prices are plummeting.
- Consumers (businesses and individuals) have said they can't afford products or services, no matter what the cost.
- Buyers are more cautious and searching for better value.
- Reports of layoffs, increased bankruptcies and wholesale corporate reorganizations fill the pages of our newspapers.

The U.S. economy grew slightly more than a paltry 1 percent during the past two quarters. Economists disagree about whether we are actually in a recession.

Since it is becoming painfully obvious that the Bush Administration can't or won't take the necessary steps to help the economy turn the corner, it is up to business to pave the way for recovery. By examining past recoveries, we see that there are six principles that traditionally have been helpful in troubled times.

More savvy marketers maintain their marketing activities and efforts or redesign their promotion to fit the new economic climate.

New Attitudes Make the Difference

Words are the building blocks for new attitudes. When Churchill told the British population that he had nothing to offer but "blood, sweat and tears," he instilled the renewed sense of commitment, strength and hope that was needed to win the war. By the same token, Presidents Roosevelt and Reagan were economy cheerleaders

who constantly stated that things were getting better ... and they did.

Managing this downturn begins with managing negative attitudes. Positive attitudes build hope and overcome tough times. For example, the *Farmer's Almanac* states, "There is no such thing as bad weather, only inadequate clothing."

Dale Carnegie once wrote, "Develop success from failure. Discouragement and failure are two of the surest stepping stones to success. But you must be willing to study them and make capital out of them. Look backward. Can't you see where your failures have helped you?"

Don't Cut Expenses that Generate Sales

During business slowdowns, many businesses automatically cut marketing, advertising and promotion. Salespeople are expected to pick up the slack by making prospect calls, instead of closing business deals. The strategy often leads to an accelerated decline in business.

More savvy marketers maintain their activities and efforts or redesign their promotion to fit the new economic climate, while the competition cuts their market exposure even further. The key is to cut fat, not muscle.

Potential budget cuts can include entertainment, conventions or trade shows that

can't be cost-justified. Eliminate all special travel perks or special bonus packages and find more economical ways to use your sales organization. Rather than having salespeople fly or drive to every prospect, make heavier use of the phone and e-mail to qualify organizations to the point where a closing sales call is indicated. This approach can be more efficient and

more effective for everyone concerned.

Focus on Different Groups of Customers

Most firms sell their products to several market segments. Remember that even during the worst depression, some business segments still are growing and buying. For example, if you usually sell to financial institutions, real estate offices and car dealers and their sales are down, refocus your efforts on insurance firms, hospitals or attorneys.

When you talk to prospects in these markets, you'll find greater enthusiasm and rediscover many of the benefits your products and/or services can provide.

Fire in the belly is still the best edge against the inconveniences of a sluggish, unresponsive marketplace.

Develop new sales call priority lists. Spend more time on the profitable market segments and put the least productive targets on the back burner.

Contact More Customers

In a recession, salespeople tend to make fewer sales calls. In fact, a survey of purchasing managers showed that during a recession, the call frequency drops by as much as 38 percent.

They rationalize, "What's the use of calling these people when I know their business is slow?"

It means that fewer salespeople are going after the business that's still available. But the other side of the coin is that while there may be fewer selling opportunities available, if you increase the number of carefully targeted calls, you'll get more than your usual share of business.

Upgrade Selling Know-How

A recession is the best time for salespeople to polish their professional selling and negotiation skills.

During economic slowdowns, many salespeople tend to slip into a gloomy, helpless

mood. To avoid apathy or depression, change your personal habits. Create a higher level of energy by setting extra time aside for aerobic exercise. Listen to positive mental attitude tapes. Reread positive books. Seek out positive people. Avoid complainers, whiners or passive colleagues. Set higher standards of excellence for yourself. Don't get frustrated ... get motivated.

Increase Commitment to Excellence

Some managers and salespeople need reminders to put forth extra effort needed to sell themselves out of a recession. Thomas Bonoma, professor of Business

Administration at Harvard Business School, described the commitment to excellence as a "fire in the belly."

He described a scene from the classic Orson Welles film, "Lady from Shanghai." In the movie, Orson Welles asks, "What makes a tough guy?" Someone responds with, "I don't know." Welles explains, "A guy with an edge. What makes him sing better than me? (He points at the jukebox.) Something in here. (Touches his throat.) What makes it loud? A microphone. That's his edge. A gun, knife, nightstick or razor, something the other guy ain't got. Without an edge, there ain't no tough guy."

To paraphrase Welles, fire in the belly is still the best edge against the inconveniences of a sluggish, unresponsive marketplace.

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