
Thriving in a Downturn. What to do Now?

Extract from Dr. Ivan Misner, Founder and CEO BNI

It's times like these that I think of situations I've been in where some crisis is brewing and one person in the mix stays calm and focused. That person keeps her "eye on the ball" and does what needs to be done – as it needs to be done.

As business owners, entrepreneurs, and sales professionals, if you want to be successful during these difficult times, you must be someone who stays focused on solutions and not get drawn into the quagmire of problems. Economic downturns will come and go. Most people don't know this, but statistically we have one every six years or so. This one is a more serious one. I get that. I also believe that the people who look for opportunities when times are tough will not only survive—they will thrive. I've been in business long enough to have seen it over and over again.

Now, more than ever, a powerful personal network can carry you through difficult times. Business will go on. In times like this, people want to do business with people they trust more than ever. The relationships you have with the people in your network can make the difference in your business.

You cannot change the economy. The economy is going to be what the economy is going to be. You cannot change your competition. Your competition is going to do what your competition is going to do. But you can change your response to the economy. You can change your response to your competition.

The solution to difficult economic times begins with a commitment to focus on opportunities. Stay focused. Continue your strategies for the process of visibility, credibility and profitability. Continue to build your relationships. Be there for others and work your network like you've never worked it before.

How crucial is it for business to continue to advertise in slow seasons? If any business advertises only in a high season or profitable times, they are competing directly with ALL their competitors for a share of the market. To gain a bigger

share, they should create the desire and prove the source of the product (quality/selection/fair pricing etc) in their slow season to gain the edge over competitors in high season. What makes a customer choose one supplier over another? It's familiarity to them! If an advertiser keeps close touch with customers in slow season when no one else is keeping in touch, his slow season not only picks up, but his high season gets a far greater response since he's cultivated the sales for harvest - not his competitors!

Coffee News is inexpensive enough to make such slow season investments in advertising worth the effort and maintains your visibility in the market (plus secures your exclusive category).

Keep in mind, profitability is a process. The first steps are visibility and credibility. Coffee News has been specifically designed to provide long term affordable advertising - weekly visibility raises your credibility and the crucial perception of trustworthiness. It gives you a solid foundation and presence in your market and enhances your other marketing and promotional activities towards greater results in both slow and high seasons.

The Most Profitable Marketing Response to a slow period: On 4th March, 2008, the IPA convened a conference of leading consultancies in the area of the business effects of marketing communications. The purpose of the event was to see what lessons could be learned from their experience about the most profitable marketing response to an economic downturn. The key findings were:

1. Cutting budget in a downturn will only help defend profits in the very short-term.
2. Ultimately the brand will emerge from the downturn weaker and much less profitable.
3. It is better to maintain SOV (share of voice) or above SOM (share of market) during a downturn. The longer-term improvement in profitability is likely to greatly outweigh the short-term reduction.
4. If other brands are cutting budget the longer-term benefit of maintaining SOV or above SOM will be even greater.

