

## Recession 2009 - Participation is Optional



Hopefully by now most of you will have seen and read “6S for Success” published by Enterprise Northland. If not you can download it from [www.enterprisenorthland.co.nz](http://www.enterprisenorthland.co.nz) and click on Publications.

While this booklet covers a lot of excellent material, it tends to concentrate on the “physical” rather than the “mental” actions required to help you through this period. It is usually the mental attitude of the owners, the 4 inches between the ears, that get businesses through tougher times.



The following ideas are in addition to the items covered in the 6S for Success booklet. These ideas together with the 6S's will help you survive and hopefully thrive in 2009 and beyond.

### 1 **Ignore Headlines**

Remember sensationalism sales. My recommendation is to turn off the news occasionally – the constant doom and gloom will cloud your judgment and take your eyes off your long term goals

### 2 **Opportunity recognition**

Despite the economy, there will always be opportunities for those who seek and pursue them. People still have needs to fill and businesses have products and services that meet those needs. Many people actually become wealthy during these times because they are able to identify and take advantage of opportunities

In good times, opportunity comes in the form of just doing more of what already works.

In bad times, opportunity comes by abandoning things that no longer work and finding new things that do, based on new needs.

**Recessions are a great opportunity** for those who choose to see it that way. It's just that the opportunities may look different and they might require us to leave our comfort zones.

### **3 Stop feeling sorry for yourself**

You became a business owner because you wanted to control your own destiny. You wanted to be the person who makes things happen, the one people come to. Well now it is the time. Your employees are worried and they are looking for leadership, direction, confidence and a strong assurance that everything will be all right.

*“No leader ever archived greatness only during easy times.  
The great leaders emerged during the most difficult times.”*

People are counting on you, (employees, customers, suppliers and your loved ones). Do not turn your back on them now. Sell the vision and keep your word. Believe in yourself, your company and your vision.

*“Tough times do not build character, Tough times reveal character.”*

### **4 Go from “your best” to “the best”**

Saying you are doing your best is no longer good enough in these markets. Your best is accepting your current limitations. You need to change your mind set from “doing/giving your best” to being “the best”.

“Your best” is where you are now, “the best” is unknown, it is in your heart not your head. It is thinking, planning, training, and learning longer and harder than you thought possible.

### **5 Stop making excuses**

Every time I hear a great example of a business performing well during these times, I immediately hear someone say it is because of their “situation” i.e. it’s the industry they are in or the market, city etc. Stop using and looking for excuses and learn from them! Success comes to the businesses that have focused on their employees and built a strong internal culture that focuses on their customer.

### **6 Maintain your inspiration and learning**

Be careful what you are reading, watching and listening to. Read positive and inspirational things. Read about businesses that are doing well and try and learn from what they are doing. It might be a good time to dust off and re listen to those old business video’s, tapes, CD’s etc (yes the ones you used to listen to when things were good) – you will be amazed at how our outlook and attitude is determined by what you feed your brain.

*If you would like access to a large range of great business related material feel free to contact us and take advantage of our library.*

## **7 Lose the losers**

There are people that we work with and socialize with that are energy drainers. If they are not adding value, eliminate them from your life. Negativity kills passion. You can do more with less. Focus on the positive people who want to contribute and provide value.

## **8 Maintain balance – Go unplugged**

Under normal circumstances, most leaders have problems with “letting go”. During difficult or stressful times, leaders tend to feel guilty about having any down time or quality time with their family. This is a recipe for disaster and burnout.

How much value will you be to your company, employees and family if this occurs? Keep your priorities in order - business will always have its up and downs, but your personal/family life should not reflect that. Commit to time with people who matter most and turn off the mobile phones etc for a while – you may find your obstacles are not so insurmountable.

## **9 Take time-out**

During difficult times stress levels increase and sacrifices need to be made. But this comes at a price: the price of emotional wear and tear; unintended stress with co-workers and loved ones. Make sure you take time out and do the things that will revitalise you. Right now, more than ever, we need to focus on our mental health. We need balance and we need to be reminded of what it is we are working for. We cannot do that successfully if we are unhappy.

## **10 Get out of your comfort zone**

One of the main stresses that a recession produces is the stress of change – the need to leave our comfort zone. The people who usually have trouble recognising opportunities are the same people that are unwilling to leave their comfort zones.

So what is a comfort zone? First and foremost it is a mental state in which you lose the drive to pursue a vision, because you have accepted that where you are now is the best you need to be or do. Change always disrupts comfort zones and why it is a big deal to people and is so difficult to achieve. The pain that accompanies change can be financial, physical, or emotional, but regardless of the type of discomfort created by change, recession and hard economic times demand that you embrace it if you intend to remain competitive and effective.

Over the years, I've learned that nothing very interesting or innovative ever emerges from a comfort zone, except more plans to make the comfortable more comfortable. Comfort zones impact all of us. Recessions and hard times require a different response.

*If you haven't yet read "Who Moved My Cheese" I would. We have several copies in our library which you are welcome to borrow.*

## **11 Do not overlook value**

When looking at cost saving measures always know the value gained from that item.- If you receive more value than it costs – leave it alone. If you are unsure of the value gained from a supplier – ask them to quantify it. This is particularly important for marketing activities – if the value can not be shown, then do not do it.

## **12 If cash is king – what does that make your customers?**

Improving your customers experience is non-negotiable and absolutely vital to success in any market. If you want to win the loyalty of your customers then you need to deliver a consistent string of remarkable performances that really “rocks” your customer’s world. It doesn’t take many lack luster performances before your customers are ready to move on to your competitors.

Every day is game day and every customer is an opportunity to give a remarkable performance – never take any customer, prospect or sale for granted.

*“If you want to see how a company is doing now, look at their current sales*

*If you want to know how a company will perform in the future look at their current customer satisfaction score”*

## **13 Discount Prices only for a purpose**

Avoid the urge to discount your prices. Discounting prices in the hope of generating more sales during a recession is usually a critical mistake. It devalues your product or service, and it can put you in a vicious cycle of constantly having to lower your prices to gain sales. It’s a lose-lose proposition.

This isn’t to say that you shouldn’t cut your prices. If you have a good reason for doing so, then by all means lower your prices. Also watch offering special deals only to new customers, as this is dishonouring and disadvantaging your existing loyal customers.

If you discount, then always measure the value gained and show the discount as a marketing expense – that way you can manage and monitor what you are giving away.

## **14 Marketing is more than advertising**

Know the difference between marketing and advertising. Advertising is only one form of marketing and is usually the most expensive and if not done properly the least effective form of marketing. You must ensure that every piece of marketing has a target, is measurable and adds value greater than its cost. Always test, measure and monitor all forms of marketing for value.

## 15 Plan B

However positive things are - always have a plan B – in case the unexpected happens

## 16 Don't procrastinate

Act now and act fast – don't wait till things get bad before putting plans in place.

## 17 Practice

Rehearse the most difficult conversations that may need to be had with suppliers, clients or employees etc should the worst happen – practice makes perfect.

## 18 Live blood

Profit is not a dirty word – without it all business would come to a halt.

## So, how do you survive and thrive in a recession?

**First**, you embrace a mindset that relentlessly pursues new opportunities. Don't close yourself off to new ideas and change and become an expert on what people need and want. In a recession, people may want things that are different and someone will have to fill those needs.

**Second**, read lots of books, magazines and other publications that may expose you to new needs or markets your product or service might be able to meet. You will probably discover that people still want your product or service; you may just have to package it differently.

**Third**, ensure you have a good honest look at your business and get it in the best shape possible. Review all your practices, system and procedures and implement the ideas and actions mentioned above and in 6S for Success – they work. Do not be scared of getting external help – that is what we are there for

This brings us to the final piece of the puzzle on surviving a recession. You must be able to articulate a **powerful value proposition for your product or service** that will solve and satisfy the felt needs of your customers and potential customers. Understanding their deepest felt needs is the key to understanding the value of what you have to offer. Talk to your customers and prospects.

Discover their problems and concerns and you will discover your opportunities!

## So which button do you choose?

