



Mark Hill



***“Cutting through
the sales &
marketing mumbo-
jumbo and sticking
to the
fundamentals”***

During times of recession, marketing and direct sales organizations throughout the developed economies search for answers to the question; “How do we sell our way through a downturn?” Inevitably many come to the same answers. Sadly, and even more predictably, many learn often too late in the game that moving away from doing the fundamentals well, isn’t necessarily a sound strategy.

After working your way through all the sales & marketing mumbo-jumbo, that is all too often found in large organizations’ well-crafted and equally well-worded marketing plans, three common ‘change initiatives’ or a combination thereof can be found:

Increase Advertising: In the right markets increased advertising can work. If your product can be sold off-the-page of a catalogue, then this strategy warrants serious consideration. There’s a lot of evidence to support when marketing cheaper consumer goods, a well planned and executed advertising campaign will deliver results. Any increase in advertising where goods and services are sold B2B through direct sales representation is often a flawed strategy and a waste of resources.

Lower Pricing: In every market there is a relationship between *supply* and *demand*. In certain consumer markets there’s a direct relationship between *price* and *demand*. When a product is priced under the competition and the product is feature rich (has all the bells and whistles) in comparison to products it’s directly competing with, all the time the competitors fail to react history has shown many companies have enjoyed an increase in market share and profits. Only if it were that simple! All too often reduced pricing does not produce the required increase in volume to compensate for the lower margins. This strategy carries the risk of producing short term gains in volume resulting in long term reduced margins.

Activity Management: Yes, I have found in numerous marketing and compensation plans the call for increased activity as an integral component of the plan during tough times. At some point in our careers we’ve all been micro managed. I have yet to meet a sales person who honestly enjoyed the experience. Activity management institutionalized! I realize in writing this I could be costing myself clients, but for the inexperienced manager this can spell disaster. That’s not to suggest that in certain markets it won’t have an effect, but it may surprise you to learn what those market conditions need to be. Before we totally write-off, what at face value is a logical *recessional* strategy, I challenge senior management to investigate their top performer’s activity levels to understand if a correlation exists between increased activity rates and sales. Research going back to the 70’s and 80’s clearly demonstrates that an increase in activity alone will not produce an increase in sales.

So what’s the answer to the question at hand! “How do we sell our way through a downturn?”

Not surprisingly the answer represents a real dilemma for most executives. During times of prosperity we see companies of all sizes continue to invest in what is the most expensive and effective resource at their disposal. It’s justified at the highest level as a vital component, pivotal to the companies’ continued growth in the face of increased competition. However, during a recession it’s often an easy and immediate target for cutting expenditure. Yet, I find myself asking; doesn’t the very same business principles and logic apply during a downturn? The dilemma here, needless to say, is that there’s overwhelming research that shows companies that increase the level of investment in their people not only do better during a recession, but come out the other side showing faster growth. Why? Because they stick to cultivating and developing the skill-sets that achieve the fundamentals more effectively and efficiently, never allowing the business to lose momentum!

Mark Hill and his team deliver provocative training workshops, one to one coaching and speeches to businesses worldwide. Talk to him about kicking the tires of your business via:
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NEXT MONTH

“Can a great product sell itself?”