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Seven Tactics for Succeeding in a Challenging Economic Environment

1. Create a Strategy. It appears that the first action taken by all that have been successful is the creation of a marketing plan. Marketing plans that are the most effective appear to focus on the best customers of the business, where these patrons are located, the problems that your business solves and why consumers should buy your products or use your services. The length of the document is irrelevant, provided it reflects clarity of thought.

2. Focus. It is axiomatic that if you do one thing at a time, you will get more done. With all of the noise that surrounds us clamoring for attention, the ability to focus has been assaulted. Yet, according to business consultant Rich Sage, “[If focus] is placed on one [initiative] at a time, things get done! It’s just that simple.” He further declared, “In your own business, plan your day according to what you need to get done to generate revenue first –the first action of the day should be to get that objective done. Make sure you follow each and every element of revenue production Keep in mind that the only way to do that is to ‘focus!’

3. Don’t Stop Growing. Mike, Myatt, Chief Strategy Officer for N2Growth recently wrote:

Get very aggressive while your competition pulls back, starts slashing costs, and is asleep at the helm. While it is certainly necessary to reduce extraneous expenses, resist the temptation to slash expenses across the board, and especially resist the temptation to cut budgets in the areas of sales, marketing, and business development. ... An enterprise can have all the cost containment in the world, but without revenue what does it matter? Remember that cost containment is not a business strategy. The strength of your sales funnel, and your ability to create revenue will never be as important to your business as when you face the reality of a slowing economy. Use the caution of your competitors to your advantage so that by the time the economy starts its recovery you will have created a huge gap in market share and brand equity.

4. Be Known for Delivering Great Products and Great Services. Many writers and scholars make this the linchpin of their business delivery model. According to Dr. Susan L. Reid, “Now, more than ever, this oft repeated maxim is true. Your products and services are a reflection of you, are the front-line calling card for your business, and the number one way to make your customers trip all over themselves referring others to you.”

5. Add Value, Not Price. Dr. Reid has made this observation, "Continuously adding value to your products and services makes you look rich and attractive to your customers and prospects. Adding price without value makes you look cheap."

6. Tough Economic Times Create New Market Opportunities. USA Today pointed out the following:

- 16 of the 30 corporations that make up the Dow Jones industrial average got their starts during recessions.
- Disney began during the recession of 1923-24.
- Hewlett-Packard was begun during the Great Depression (in 1938).
- Microsoft began during the 1975 recession.

USA Today further reported:

[T]here are ... fundamental reasons why new business begin and succeed during recessions. For one, labor is discounted during an economic down cycle. With unemployment high and the economy fairly stagnant, wages are depressed, which is good news for the entrepreneur.

The high wages and benefits that were so common during the go-go '90s are gone-gone today. People now will work for less, especially those employees who are willing to work for a new startup. ...

But wages are the only discount you will find if you start a business right now. Goods and services can be had at discounted prices as well if you look. Even better: rent should be very reasonable. As office vacancies rise, rents fall. Nationwide, office vacancy rates have jumped above 11% from 7% only a year ago, according to Cushman & Wakefield.

What all of this means is that your odds of success increase dramatically if you start a business now because your overhead will be much less than if you were to it in boom times. And since keeping your overhead low is a basic component of small business success, this bodes well for today's entrepreneur.

7. Outsource. Consistently, scholars and business professionals extol the virtue of outsourcing. It is apparent that outsourcing as a strategy is especially important during times of economic contraction for several reasons. According to Mike Myatt, some of the benefits of outsourcing include:

- Shorter time frame to implementation.
- More cost effective implementation.
- Access to existing toolsets and solution sets that have a proven track record of success.
- Access to a more diverse base of skill sets and core competencies.
- Access to best in class human capital within the area of domain expertise required.
- Reduction of investment into infrastructure expenditures.

He concluded:

Velocity to market is critical in the success of any business. In a down economy the stakes are higher, the money and resources are tighter, and the decision-

making ability of your management team will be the difference between success and failure. If your management team can streamline operations, facilitate solid strategic planning, conduct flawless tactical execution of business initiatives, and recruit, motivate and retain best in class human capital, your business will gain ground while your competition is “down-sizing” or “right-sizing”.