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Bullet Proof Your Business

14 Recession proof ways to
keep your profits up if the
economy goes down

by Shane Cradock

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*Thanks to marketing legend Ted Nicholas for
inspiring me to use my talent for words in a way
that makes a difference to others.*

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The only thing certain about life is that it will change



1. Be like the mouse and anticipate the change

You've probably read the book 'Who Moved My Cheese'. But if you haven't, do yourself a BIG favour and get it.

Change is part of life. Yet despite knowing this, most people have BIG difficulty with it.

Without spoiling the story for you (just in case), it's about 4 mice who live in a maze where cheese appears at different points. The story tells the different reaction of the mice based on their attitude to life – and how, despite change, some of the mice thrive, yet others who refuse to adapt, get hurt.

Today, there's no doubt that the cheese has been moved in many areas of business, but like the mice in the story you have a choice on how you react to it.

Yes, you may have to make changes. But that is part of the adventure of business and life. As the saying goes "*The only thing certain about life is that it will change.*"

2. Remember to focus on what's REALLY important to you

Yes, there have been major changes in the economies of the world over the past few months, but if you ALLOW yourself to get too caught up with the 'doom and gloom', you could find that you're blocking opportunities. And there are plenty of opportunities to be had still. Think about it like this. Whether the economy is doing well or doing badly, somebody somewhere is still making money.

So if you take a deep breath, take a step back and give yourself a reality check by, just for a moment, taking the time to focus on what's important to you:

This could be:

1. My family and their well being
2. My health and wellbeing
3. What I have in my life that maybe I'm not appreciating

I have a client that got very bad news recently. Most people would have given up with what happened to her. Her approach was the complete opposite to most.

She went out to dinner with her partner and enjoyed a beautiful and expensive meal in a top restaurant.

Why?

Well, her view was that she wanted to get herself back into 'a positive frame of mind', so that she would see how to make the right moves needed.

She realised that while the news she had received wasn't great, there were ways around it. And 2 days later she SAW a simple way of increasing business. She maintains that it's only because she REFUSED to let herself get 'down'.

3. Get real with your financials – NOW

To make the right decisions all depends on getting the right information – that is, it's up to date, it's correct and it's relevant!

Working with over a 100 business owners closely over the past 7 years, I've always been amazed at how many don't prioritise getting up to date financial information. When you don't have it, it's like driving in the dark with no lights on.

One of the big benefits of a 'tighter' economic time is that it FORCES you to watch your overheads much more closely, where before you may have been more wasteful.

No more than knowing how the health of your body is by getting certain test results (body fat, weight, cholesterol etc.), the health of your business is measured by things such as sales, gross margin/profit, overheads, net profit etc.

You'd be surprised how many business owners don't know the key figures for their business when they should. It's asking for trouble to be getting your business management accounts months after the business occurred.

If you're not on top of this area, do yourself a favour and prioritise it for the next month. Getting up to date accounts either weekly or at the very latest monthly is vital to making the right decisions. Talk to your accountant about speeding up the information access – they should be happy, it may well be extra business for them – but it'll be worth it.

4. Be the 'morale officer' for your team and family

I interviewed a top retail sales person recently who's sales are up 10% versus last year, despite his team and

store being down. When I asked him what his view on the 'recession' was his answer was very insightful.

'What recession?', he said. 'As far as I'm concerned, if a customer walks through the doors of my store then they are thinking about buying and if they're thinking that way then they'll buy from me.'

This man also sees himself and the 'morale officer' of his store, even though he is not the manager. He's totally focused on bringing in his target and sees it as a challenge.

He would not entertain ANY DOUBT in his mind about achieving his goal. BUT he did realize that he had to CHANGE his approach.

"With all the fear out there, it's understandable that customers are more wary of where they spend their hard earned cash. So I am finding that I need to give them more attention and care to convince them that they're worth it."

So just to be clear – it's not that you're 'Mr. Or Ms. Positive' standing or sitting in your business 'hoping' that people will walk through the doors. It's not enough.

By being positive, it allows you to keep a CLEAR MIND. When you have a clear mind you'll see quickly where things need to be changed and how to make them. It's when you're mind is clouded by fear or panic that trouble begins.

And if the leader of the team is becoming 'droopy drawers', then how do you expect your team to be upbeat?

To make the right decisions all depends on getting the right information

By being positive, it allows you to keep a clear mind

Yes, you may need to make changes but that's no reason to get down about it. If you see it as your job to be the morale officer in your business (even if it's only you in the business), you'll be surprised at the effect it has on others around you and by default, you as well.

And if you're reading this thinking 'Well, I don't have a team. I'm a one person show', maybe you should consider this – your team includes your customers, your suppliers, your associates and even your family!

5. Plan an AGGRESSIVE new business marketing campaign and spend more time on it

In an 'up economy', many businesses can get by very nicely by doing very little marketing. And as a result they don't bother setting up a consistent process to bring in new clients.

The obvious danger with this is that if things change economically, they can find themselves with no pipeline or a reducing one! The solution now is to, believe it or not, do the opposite of what most companies will be doing – increase your marketing! Studies show clearly that companies who market more during a 'recessionary' or 'down' period in an economy always do better financially.

But increasing your marketing **doesn't mean** increasing your budget – it just means getting very focused on it (more than ever before) and coming up with clever ways to get your name out there.

I've already heard of many companies cutting or slashing their advertising, PR and marketing budgets. There's no doubt that there is HUGE BENEFIT in reviewing costs and watching where you spend, but I believe it would be a huge mistake to stop spending in this area.

Now is the time to look at what gives you the best result for your investment. Good areas to look at are:

- Online marketing (very cost effective)
- Website sales
- Email shots
- Direct marketing (flyers, mail shots, inserts etc.)
- Referrals
- PR

Plus if it's not you who's in charge of this area, then someone needs to be focused on the implementation of your new marketing plan.

6. Go the extra mile with your customers

We're all customers. We instinctively know what good customer service is and we all appreciate it. For the past number of years customer service standards would vary hugely from business to business. In many cases, I think that many companies had it so good that they didn't really CARE about customer service – they got away without really being bothered about it.

But today's customer won't stand for that. They have too much choice and also too much value available now.

The things that will make THE difference now are:

- Being polite, courteous and respectful – 'old style' service is making a comeback!
- Really taking time with the customer to look after them
- Being 100% genuine and only selling if you believe they really need it (of course, believing in what you're selling here makes a big difference!)
- Being relaxed and not forcing a heavy 'sales' agenda

Whatever it takes for the customer to feel 'genuinely cared' for will never be forgotten. And it's a great way to activate great word of mouth, which is your greatest and best value form of marketing.

7. Re-visit dormant accounts & old leads

Somewhere you probably have a list of clients that you worked with or sold to previously but for whatever reason, haven't for a while.

Now is the time to get that list together and get creative about how you use it. Here are some simple ideas of what you could do to generate some extra sales:

- Make a short and friendly call to each person on that list. Of VITAL importance is not to come across as desperate! (even if you are!) Something along the lines of *'Hi Shane, X here from Y. We're just making courtesy calls to customers we've worked with before to remind them of what we do'*. Sign off with a simple goodbye and not a hint of DESPERATION. There's nothing as unattractive as a desperate sales person – and it gives the wrong impression about your business.
- Send out a personalized email, advertising a sale or discount period
- Post out a free gift to say thank you or to remind them that you still exist! People are so busy mentally these days that unless you're front and centre in their consciousness, they may not remember you're there when that new project comes up.

8. Ask for referrals

I'm always surprised at how few businesses ask for referrals.

Indeed I attended a marketing workshop 9 months ago and the course facilitator said she'd never heard of anyone approaching referrals the way I do. There is nothing more powerful than getting a

recommendation from someone you know and respect. Everyone knows someone they could introduce you to. But they're usually so busy that they never think about it. So if you're looking for business (and who isn't?), then why not start with your best customers (the ones who love you) and say something like this:

"We're looking to bring in some new customers, that are more consistent with our ideal customer profile – customers like you. Would you be open to introducing me/us to 3 or 4 people of the same quality as you, maybe by means of a phone call, letter or email?"

As someone who has often pleasantly annoyed my clients (you know who you are) asking for referrals, I've found that good ways to ask for referrals are by phone call or letter – BUT the BEST way is always face to face.

People are so busy now that emails can be ignored, and a phone conversation can be forgotten as soon as it's ended due to endless distractions and interruptions.

My BEST RESULTS have come from face to face meetings, where I don't leave the meeting until my client gives me the names and contact details of the people they'll introduce me to. Yes, you might have to do this with a cheeky smile, but if they're fans of yours that'll be fine!

The goal here is to make it as easy as possible for your client to say YES, to giving referrals. If they're stuck as to how to introduce you, suggest how they should a. give them the words/text to say or b. offer to write the letter/email for them, and get them to review it before it's sent (Note: make sure obviously that it's on their headed paper if it's a letter!) If someone says something like, *'Sure, I'd love to give you some referrals. Let me come back to you*

**'old style'
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on it., my suggestion is to POLITELY refuse to leave until they give them to you (if done in the right way with the right person under the right circumstances, this does work!) or if you can't do that then thank them BUT agree a date that you will follow up by.

And then you just keep 'pestering' them until you get the referrals, because you have their permission.

For a big hit, this one idea might work wonders. To illustrate it, I'll tell you a real story of how it worked.

I had a client I mentioned this 'ask for referral' strategy to and he loved it. He thought long and hard about the kind of clients that he wanted to attract (he's in the health business), and then thought about who he knew that would have a big list of similar clients. One of these was his chiropractor, who he'd been going to for 4 years. The next time he was in at a session, he asked the chiropractor if he'd be willing to send out a letter of recommendation (i.e. referral) to some of his clients.

He got the shock of his life when the chiropractor said that he would send it out to his entire database of 500 people.

My client wrote the letter to save the chiropractor time, who then reviewed it. There were only a few small changes and over the next 3 weeks the 500 letters went out – and the chiropractor paid for all of the postage! What my client never realized was how much the chiropractor regarded him and how willing he was to give him a helping hand (they ARE out there folks).

The result? My client got more business from that route than any other he'd ever tried. And all it took was the ability to ASK.

9. Collect testimonials and show them off

In today's world, customers are going to be even more 'choosy' about who they deal with. If you have customers that are big fans, then ask them to provide a written testimonial.

Now most people are too busy, in my experience, to write a testimonial so the simple thing to say is '*Shane, I know you're very busy, so to make life simple for you, how about I write up a testimonial that you can edit?*'

They'll usually always say yes, and you now have control over what you want it to say and what you'll probably find is, that they may not make any changes at all.

Ideally, you should have a system or process for collecting testimonials regularly. (i.e. train your staff to ask for them and you could even make it a policy to ask for them after every sale – usually best to ask when the customer is very happy)

Testimonials are great material to show other people thinking of doing business with you and can also be used in:

- Your brochure
- Your website
- As part of a case study
- As reference material to show a potential customer to help them make up their minds
- In PR

10. Look at your overheads in terms of Contribution

One of the big benefits of a tighter economic period is that it FORCES you to watch your overheads very closely. When sales are booming for everyone it's very easy to take your eye off the ball and gradually pieces of fat can accumulate in your business.

Now is the time to trim that excess fat and start getting your business into much healthier shape. The KEY here is to look at contribution, that is – who is contributing the most and making a difference to your business and who is not.

Many business owners can panic and become 'slasher' figures cutting every overhead in sight. 'Slashing' is fine, once it's done strategically.

You know the saying 'keep your eye on the ball'?

Well in business, one of the key balls to focus on apart from sales, is obviously profitability. That's why it's vital to get up to date accounts every week or month, as mentioned earlier. Having cash in the bank might be comforting but it doesn't tell the full story.

In tighter times, it's like being on a boat that has entered stormy waters. The key to survival is to remove any dead weight, stop any leaks, batten down the hatches and keep the best people around you – the ones who contribute to the boat's well-being.

11. Use 'low cost' add ons to generate additional revenue.

Customers always appreciate little add ons as a thank you or bonus. But never are they more appreciated or more impactful than when they're being extra careful with their money.

Here's a question to ask yourself: 'What extra can I offer a potential customer that is low cost to me, but high 'perceived value' to them?

Simple things like a free gift, free delivery, extra service or discounted bonus product have a massive impact on the buying decisions of customers and could be enough to give you the sale.

12. Think Small - Repackage your services to suit smaller clients or smaller budgets.

There is always money to be spent, regardless of the state of the economy. It's just that people will be choosier and also may reduce their budgets.

Play to people's MINDSET and address the big issues that are in their heads.

For example, maybe you can put together a special 'Recession Buster' package that gives clients value for money but only has certain elements of what you normally provide?

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I know several service providers who lost chunky contracts due to 'reactionary cutbacks' by customers, only to regain smaller contracts with the same customers by getting CREATIVE and designing a package that gave great value but was a lower cost to their customer.

Changing times call for changing approaches. It may mean having less high value clients on your books but selling to a higher volume of lower value contracts.

13. Migrate from offline to online

If like many you've been delaying really making use of the internet, now could be the time to FORCE yourself to use it's power. If done correctly, it's low cost, easy to change and easy to measure it's impact.

It's never been easier to do business using your computer and with broadband standards increasing all the time, it really is the FUTURE.

If you've already been using the net, the question to ask is 'how well am I really using it?'

Is your website just an online brochure or is it a tool that helps to make and close sales? (Most websites are just online brochures by the way).

I did some training in August 08 with one of the guru's of direct marketing, Ted Nicholas, and one of the key messages that he gave across was that people only go onto your website to do 2 things:

1. To get USEFUL information and/or
2. To buy something

If you bear that in mind, how worthwhile is the information on your site? Is it doing what you want it to? For that matter, what do you want your website to do?

14. This is PROBABLY the most important tip...

This point is probably the simplest to explain, but may be the one least people do – which is a pity because it's the point I believe has the most VALUE.

I think everyone will agree that you work better with a clear mind. Decisions come quicker, ideas can pop up out of nowhere and tasks that seemed to take ages before now are doing much quicker.

But why is that?

It's because your mind works better when it's relaxed and clear. So, if there's turbulence all around you, it's vital to prioritise some part of your day to take 'Time Out'.

But what does taking 'Time Out' actually mean?

To me, it means going somewhere you won't be disturbed, where you can turn the phone off, and ideally where there's lots of nature. It means allowing yourself to switch off mentally and tune into the peace that is inside (if you can allow it!).

All of the great leaders of our time had the habit of taking regular moments of time out. In fact, if you want to get spiritual about it, so too did the likes of Jesus and Buddha. (Going for long walks up the mountain etc.)

Making space for yourself by going for a walk by the sea, or sitting in a park seems to open the door to something inside you that has a higher intelligence – call it your ‘intuition’ or ‘inner self’.

Whatever you call it, it is the part that can know the answers to tricky questions or has an idea for something new and exciting. When panic and fear enter anyone’s mind it’s not great – but when it happens to a business owner or self-employed person then the potential fall out becomes bigger.

The KEY in times of economic UNCERTAINTY, is to keep a CLEAR HEAD. Yes, you will have days that ‘do your head in’, but if at the back of your mind you REMIND yourself to take time out for you so that you can stop the mental chatter and RELAX.

The benefit to you is that if you do it regularly, you’ll:

- Feel more relaxed which will rub off into your business sales and those working with you
- Get more ideas about ideas to try and things to change
- Be more likely to have a smile on your face

And if you really wanted to take this concept to the max, you might consider taking a day or a couple of days out by yourself, to get away from all of the people who influence your thinking, so that you can tune into your intuition in a bigger way.



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Shane is a leading consultant and mentor specialising in helping small and medium size businesses prosper.

He is also a specialist on performance coaching for business owners, with an emphasis on Mental Focus, Life and Time Management and Goal Achievement. He has worked closely with over a 100 business owners in the past 7 years.

He previously worked with Pepsi-Cola International, The Power Of Focus (An International programme for Business Owners & Senior Manager) and has qualifications in Neuro-Linguistic Programming, strategic planning, training and holds Chartered Engineering status.

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