

Facilitating Business Results

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Tough times bring out the best in people

How to outgrow your competition in a recession

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Many companies suffer in a recession, but others continue to grow and emerge stronger. As managers, we need to focus on getting ready for the next up-turn. This article looks at three ways you can outgrow your competition.

Take Control of your Mindset

Effective management creates good habits and behaviours. A key – but often overlooked habit is mindset. Mindset refers to the thought processes characteristic of an individual or group. So an upbeat, solution-oriented and enthusiastic manager will be surrounded by a similarly positive team. How would you describe the mindset in your company today? Are you letting doom-and-gloom pollute your team?

Energize your team through these dark times by creating an upbeat mindset.

Top management must take the initiative to set the tone. Start with your best people as top performers play a key influencing role. A recent survey from Hewitt found that top performers are expected to pull their company through tough times. So bring them together for a roundtable discussion on what needs to happen to emerge stronger. Appoint advocates to deliver your positive message consistently throughout the company.

A positive message identifies opportunities that bring your company forward leaner and stronger. Companies with a negative mindset lower their work

intensity and stop looking for opportunities. Challenge your top performers to be agents of change and reward them for making these opportunities a reality. At the same time, a manager needs to embrace reality and realistically explain what sacrifices need to be made. Some companies are using across-the-board pay cuts to prevent layoffs. Set clear expectations of your people in the areas of sales and service so these opportunities can be attained.

Twin pillars of success: service and selling

A McGraw Hill survey through five decades of economic recessions found that the companies who



remained aggressive in sales and marketing during the downturn increased sales by 275% in the first year following recession, compared to 19% for those that cutback or stopped marketing.

Two words should be on your lips every day: service and selling. When competition is intense, you need to pull out all the stops to keep your existing customers. Now is the time to launch a "customer first" program. Get your front line sales and service teams together and work out how to support your clients even more. Focus first on existing clients and re-tune your offerings to hold onto long term clients. Have your service team make personal calls to clients to engage with them and find solutions to their most pressing concerns. Many companies reduce sales efforts in slow times and this is your opportunity to take their market share. Measure your sales activity for sales visits, proposals made and business won. Make it fun, turn it into a game, use a scoreboard and celebrate success – however small.

Also, take a medium term view by upgrading your service. Have your

service team follow up with phone calls rather than emails. Get smarter with your marketing budgets. Switch from big ticket general advertising to targeted niche advertising or lower cost direct mail. Get personal with your clients. Have your team send handwritten "thank you" cards to clients. This will help you stay in your client's mind and strengthen relationships.

Use the 60:30:10 rule advocated by Bill Todd, a sales expert. Todd recommends your sales efforts are split 60% on existing customers, 30% on qualified new accounts and 10% on prospecting. Don't ignore your current or past clients by spending too much time on looking for new business.

Collaborate with your people

Now is the time to collaborate with your team. People tend to unite in face of adversity, so use this opportunity to create a solid team. Collaboration is the working towards common goals by sharing knowledge and building consensus. As a manager, you play a key role in helping collaboration become a part of your organization's culture. The issues you place your attention on, what you reward and the people you hire will all contribute to the success of collaboration. Bring your people together as a part of the solution. Increase the frequency of town-hall style meetings to share challenges and solutions. Publish a weekly bulletin on milestones reached in moving the company forward – accounts won or held, examples of cost saving and how the team are working together. In the online world, create a private group using Facebook or Ning and tap into the creativity of your younger staff. Encourage creative solutions and reward them with public recognition.

Tough times can bring out the worst or the best in people. Don't leave it to chance. Take action today to guide your people's mindset, establish the two strong pillars of success by increasing sales and service activity and tap into your people's knowledge through open collaborative efforts.

Source:

Bill Todd article "The Secret to Increasing Sales and driving higher profits during a slow economy"

Hewitt survey:

China Economic Impact Survey : top performers expected to pull company through tough times 50% companies will continue to hire strategically

Mindset definition:

<http://www.answers.com/topic/mindset>

Pick up a newspaper, turn on the TV and browse the internet and you will probably be feeling very depressed after five minutes. "Financial crisis" "recession" and slow down have taken over the vocabulary as we all talk ourselves into a depression. ?? You are left in no doubt that things are bad. Real bad. And there are going to get worse.

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