



B-to-B Marketing...In A Recession

Recessions present executives with multiple and significant challenges. Spend now or wait until Q3 and Q4? "Roll" the forecast back and cut budgets or is that a self-fulfilling prophecy? What to do if competitors cut prices? Not easy decisions, but ones you'll likely face in 2009.

History is clear on one issue, substantial changes in market share occur during recessionary periods, not during times of prosperity (note the U.S. auto industry today). This means that today's difficult strategic decisions are critical to prospering in the future.

Fortunately, there are proven strategies for marketing during a recession. This and the next three *Executive Summaries* will detail them in hopes they are helpful to our clients. We will address four challenges:

- **Selecting and managing the right team.**
- **Focusing sales and marketing resources on profitable growth.**
- **Reducing "go to market" costs.**
- **Competing with desperate competitors/ "price cutters."**

First the team:

- **Decide who is on the bus** (yes a Jack Welch concept) as quickly as possible. "Keepers" are easily identified by their attitude and work ethic. Negative or risk averse individuals simply hold a team back during a recession.
- **Teams need leaders.** During recessions there is a lot of fear in the water, both professional and personal. Employees look to the CMO or CEO for leadership. The personal attributes critical to leading in an economic downturn are:
 - ◇ *Your ambition and your ability to communicate it to your team.*

- ◇ *Your self discipline/self control in the face of serious threats to your business.*
- ◇ *Your ability to listen carefully and contemplate, not respond immediately... especially to bad news.*

- **Challenge the team.** There is a tendency to "kick decisions upstairs" during a recession. This is dangerous as the team will not feel responsible for a decision nor for its outcome. Your team should suggest possible solutions to every problem they raise, present their rationale, and what they perceive will be the outcome. Decision making should be consultative not democratic in a recession. In "scary environments" the team should offer solutions, but management should make the decision.
- **Use informal channels of communication.** Remember your undergraduate courses in management communications? The formal channels are easy to identify and even easier to employ, but unfortunately are less credible. Informal channels are more effective in controlling the destructive rumors that recessions breed. Frequent staff meetings and teleconferences with Q&A sessions are the first line of defense followed by expressing confidence in the entire team, privately to those that are the most well liked and respected.

Remember that:

- **Recessions end.**
- **Changes in market share occur during recessions not in periods of prosperity.**
- **The goal is to gain a competitive advantage not just survive.**
- **Leadership is more about hard work than skill or talent.**

