

# A DOZEN WAYS... TO INCREASE REVENUE IN A DOWN ECONOMY

By Daniel M. Telep

Members of Pittsburgh's technology community must now answer an important question. In spite of difficult economic times, how can they sustain revenue growth and guard their competitive position while facing a difficult selling environment in 2009? Not easy questions to answer. However, there are many tried and proven principles that can guide your decision making process.

Before we explore several downturn principles, the following risk analysis matrix might help you focus on two of the four segments that will need to be prioritized. The overarching principle here is that in times like these, you simply cannot be "all things to all people." Focus is paramount in your navigational exercise.

(Quadrants II and III above represent modest risk alternatives. We suggest that you avoid Quadrant IV until all other options have been exhausted. Quadrant I is the foundation on which all others hinge. Let us proceed and now examine the principles.)

## 1. PROTECT CORE BUSINESS AT ALL COSTS

Maintaining current levels of business at key accounts will require preemptive actions to ensure all fundamental services you provide are done so with excellence. It is no time to take a performance hit by not meeting or exceeding customer expectations in core segments. It might be time to conduct a customer satisfaction study to identify any areas that might be suspect and offer a competitor an inroad.

## 2. EXAMINE THE DE-MARKETING PRINCIPLE

Every customer is not always a good customer. For those who annoy you, cause stress among customer service personnel, continue to make unreasonable demands, and are slow to honor their accounts payable, raise prices. If they leave, direct that energy to favorable customers.

## 3. DEVELOP A LEAD QUALIFICATION PROGRAM

The expansion and intensity of a deployed sales focus becomes critical. Providing your sales force or selling process/channel, i.e., distributors, with pre-qualified sales leads is critically important. This will go a long way toward prioritizing business development activity. Some argue it is the responsibility of your sales force to qualify sales leads. Our thoughts: Not in a downturn! Invest in a process to contact target prospects and go through a series of questions to determine their likelihood to consider doing business with you. This can be accomplished with existing personnel. You might be surprised at what a qualified prospect given to your sales force to follow up might be worth to your business.

## 4. TARGET HIGHLY PROBABLE OEM OR USER SEGMENTS WHERE YOU CURRENTLY HAVE LOWER PENETRATION

"You won't know until you ask." Often, there is low-hanging fruit in business segments outside your core business. Direct focused selling activity on those prioritized businesses with a value proposition as a trial offer. It's time to expand breadth of sales coverage beyond the norm.

## 5. CROSS-SELL EXISTING CUSTOMERS

It is much easier to sell existing customers something else than it is to locate and sell new customers anything. Think about it! What products or services currently in your line can address this issue?

## 6. INCREASE PROMOTIONAL ACTIVITY AND CUSTOMER /PROSPECT COMMUNICATIONS FREQUENCY AND INTENSITY

The wrong choice is to cut back this business development activity. For example, Rubbermaid's policy is, has been, and will continue to be, doubling dollars spent here when times are rough.

## 7. SLOW LONGER-TERM NEW PRODUCT DEVELOPMENT INITIATIVES TO FAVOR FINANCING THE ABOVE ACTIVITIES

## SOURCES FOR INCREASED BUSINESS A Risk Analysis



We are advocates of new product development, period! However, continuing longer-term product development initiatives that will not impact 12-month revenue can be slowed to favor building business today with shorter-term product introductions and selling what you currently offer.

## 8. DO NOT REDUCE "FEET ON THE STREET" OR ANY DIRECT CUSTOMER CONTACT PERSONNEL

Speaking about sales personnel that have face-to-face selling requirements, i.e., "feet on the street," consider adding a distribution segment beyond your core business where existing distributors currently service and are positioned. Thus, adding additional "feet on the street." When OEM build "schedules" soften, the aftermarket is still very viable. Distributors then become a more important factor in day-to-day business.

## 9. FOCUS ON BECOMING KNOWN AS "EASY TO DO BUSINESS WITH"

In the rough times that we face, companies should re-evaluate any rigid policies/requirements, e.g., minimal order sizes, warranty policy, delivery requirements, distributor stock refurbishing, etc., to become more lenient, flexible and accommodating in core segments, or with key customers.

## 10. RECRUIT AND UPGRADE SALES PERSONNEL

From sourcing terminations by competitors and by weeding our current marginal personnel, change can be positive. There is ample talent available now to upgrade and strengthen your direct selling efforts if needed.

## 11. IDENTIFY COMPETITIVE WEAKNESS THAT CAN BE EXPLOITED

Your selling system does have intelligence on the position that your key competitors either enjoy or are ashamed of. Ask them! Often market research can also play a significant role here. Develop selling tactics that target those weaknesses and counter with a value proposition you provide to address each weakness.

## 12. SHIFT PAID ADVERTISING BUDGETS FROM A TRADITIONAL FORMAT TO ELECTRONIC VEHICLES

Let's face it, we live in an electronic communications world. Capturing multiple customer e-mail addresses is "golden." Acquiring a database of electronic prospects is even more so. Instruct your marketing communications personnel to move quickly and get mindshare by providing your business's value proposition electronically and less expensively.

We pass on these 12 guidelines that you might want to share with your business development team. They represent proven strategies and tactical lessons that my clients have learned, adopted and practice, particularly in a downturn like we are experiencing. Perhaps one or two might apply and be useful to you as you navigate the troubled waters ahead.

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