



MONEY MINUTE

Business news you can really use...in 60 seconds or less!



Recession? Grow Your Business Anyway! – Part 2 November 2008

Anyone can successfully sail a boat in calm waters, but that doesn't make him a sailor. Those who can successfully sail through stormy seas are sailors. Those who become open ocean sailors are teachable, learn from their experiences (and mistakes), get help when they need it, and pay attention to the details. If they don't do that, they'll die, and that's a pretty powerful motivator. With stakes that high you seldom hear, "I know everything and I can do it myself!" Ask yourself...would you get on a boat where the skipper has that attitude?

Likewise, it's relatively easy to start and grow a business in good economic times. Those who can grow a business during economic downturns are real businessmen and women. Those who can compete in the open market are teachable, learn from their experiences (and mistakes), get help when they need it, and pay attention to the details. If they don't do that, their business will die, and with homes, life savings, and marriages on the line that's a pretty powerful motivator. But unbelievably, with stakes that high I frequently hear, "I know everything and I can do it myself!" from small and mid-cap business owners. Ask yourself...why would anyone in their right mind risk everything they've worked for on such a display of bravado?

Business size is no guarantee of business savvy. In the current economic downturn corporate giant Linen 'n Things, with several hundred locations, couldn't survive to exit bankruptcy proceedings, even with court protection from creditors, and is now in total liquidation. Even bigger corporate giant Circuit City, which based its business model on being lower priced than Best Buy, filed for bankruptcy protection this week after failing to recover from a botched round of corporate downsizings and layoffs (see the [July issue](#) of this newsletter for more on the wisdom of layoffs); proof again that basing your pricing strategy on simply being cheaper than the lowest priced competitor is a no-no, even for the big boys (see #1 on the hit parade of [typical mistakes](#) that businesses make in trying to grow).

Businesses exist to either solve problems or provide pleasure for their patrons. Growing your business (or not) in a recession is a process of getting your customer service (and, obviously, other) details right ...repeatedly ...on time ...every time. It's about ensuring that your customers are delighted with every interaction with your business.

Before I introduce the next guiding principle of business growth, let's review principle #1. Quoting from my October newsletter:

Important Guiding Principle #1

***** Your service goal MUST BE to make your customer feel successful with EVERY contact and interaction (s)he has with your business, regardless of whether a purchase is made! *****

And, by the way, it's YOUR responsibility (not the customer's) to make sure it happens!

Guiding principle #1 will be the theme for this series because it's impossible to overemphasize this point. Small and mid-cap businesses can't compete using the "big box" rules of low pricing (and you're committing financial suicide if you try), so don't play by their rules! Instead, compete on your terms using a competitive advantage that the big boxes can't use; your product and customer service quality!

(Talk about a prophetic passage in light of current news! – Ed.)

Important Guiding Principle #2
***** Never make the customer wrong! *****

The customer may not always be right. The customer may be all hosed up, confused, and actually at fault. But if you approach his problems (with your business, by the way!) using the tact of “How can we make this right?”, you’ll maintain your customer’s dignity, rescue the sale, and set the stage for repeat business, because (s)he feels that (s)he has been successful in their interaction with your business and you’ll see them again...even in a recession!

A personal retail experience within the last few days illustrates what I’m talking about. Briefly, I had not received delivery of a product that I had ordered. I’d tried several times to get the issue resolved, but received vague answers (“We’re working on it.”) and no real interest in resolving the problem (“Be patient!”). All I wanted was the stuff I ordered and paid for! I actually went above and beyond the effort a typical customer would make and sent an email to a senior officer of the company outlining my problem, stating the facts, and asking for his help in sending me my stuff. His response was a point-by-point rebuttal of my email outlining why I was wrong and why the problem was actually my fault (“If you’ll just search our website for the answer, you can figure it out for yourself!”).

Unfortunately, his answer is a pretty typical example of the state of customer service today. Even if I had been wrong, he had the opportunity to help me feel valued and wanted because I didn’t have to patronize his business. If he had addressed my problem in a positive way (“What can we do to make this right?”), I would have been happy to purchase from that business again and recommend it to others. However, by rebutting my concerns, making me wrong, and telling me to go figure it out for myself, he made sure I will never do business with them again and I will share my experience with others. And by the way, I’m still out the money I paid for a product that wasn’t delivered.

Flourishing in a Recession

Next month we’ll share specific examples of how to implement what we’ve learned. In the meantime, seize the opportunity to make your business customer friendly and stand out in a crowd that features poor customer service! As we’ve seen so far, making your business customer friendly is doing lots of no-cost, low-cost things consistently right. Being customer friendly is more about treating your customers (people who can choose where they spend their money) so well, that they’ll consistently choose to spend their money with you...even if your prices are higher than the big boxes!

Your business can actually flourish in a recession by consistently solving your customers’ problems in a way that delights them. Decide now to make your business customer friendly and grow while your competitors are wondering what to do!



Now It’s Your Turn

Successful businesses thrive on feedback, so I’ll look forward to yours. Do you think I hit the mark or do you think I am hopelessly off target? Share your thoughts with me at results@bgaccelerators.com or via one of the ways you feel comfortable with, below.

Maybe you know you have a problem, but you’re not sure why your sales are down or expenses are up. Or maybe you just want a “second opinion” with a fresh pair of eyes to find out why long time customers aren’t coming back and new customers have stopped coming in the door.

We can help! Get growing again! **Call us today at 912.538.0746** for a discreet, confidential consultation at no charge, if you really want to flourish. Be sure to ask about our complimentary marketing and sales effectiveness assessment when you call. Let us use our proprietary business growth calculator to show you how to grow in a recession and double your profits in the next 12 months. You’ll be glad you did.

Warmest regards, ☺

Dan Elder, principal consultant

- Business growth coaching
- Skilled facilitation
- On-location business growth consulting
- Performance improvement speaking/seminars/workshops



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