

From the Sacramento Business Journal:

<http://www.bizjournals.com/sacramento/stories/2009/03/16/smallb2.html>

Eyes on Business

Build a bridge to span the economic pit

Change business strategy to match customers' buying habits

**Premium content from Sacramento Business Journal - by Larry Mandelberg,
Contributing writer**

Date: Sunday, March 15, 2009, 9:00pm PDT

Related:

[Economic Snapshot](#), [Residential Real Estate](#)

It's impossible to ignore the economy these days. Discussion of growth and profits seem out of place when all we hear and read about is shrinkage and job loss. The economy is doing its best to push businesses off a cliff, and it is succeeding far too often.

You can find a path through this economic meltdown and make it to the other side. What I have to offer is some solid advice that will help you think about your business a bit differently.

Who's buying?

It's time to update your business strategies and plans. Examine every product and service you offer and reevaluate its value to your existing market. Buyers are no longer buying the way they used to. Today's buyers exist in one of five categories:

1. People whose buying habits have not changed. These people are wealthy, the truly rich who don't feel today's economic pain. They had money, they have money, and spending it is what they do.
2. People who are barely surviving. They are the people losing their homes, people who never even thought about food stamps or welfare. Now, they are swelling the lines at the local aid offices. This group has simply stopped spending. They have no money to

spend, and what little they have is being spent on food and shelter.

3. People whose savings and retirement accounts have been decimated. They're still making their mortgage payments, but they are also seeing the end of their savings. This group is scared to death about their "secure jobs." They're creating contingency plans and household budgets, and taking vacations in the car.

4. People who are doing fine, but are scared and confused. Because they aren't sure what to do, they're watching and waiting, conserving cash and buying only necessities.

5. Business customers. The ones that have money are conserving it; those that don't are shedding costs and looking for ways to generate sales.

These are our customers. They're spending money, but not as much as they used to. They're buying only what they need and only when the value is there.

If you haven't recognized this shift in buyer attitude and adjusted your sales model, you're already in trouble.

Change your approach

To make positive changes you must think about your market differently than in the past. People need different incentives to buy today. And you may need to sell to a different group of prospective customers.

To get a handle on this concept, look at the housing industry where this mess began. First, there were too many buyers and not enough homes. Now, there are too many homes and not enough buyers. If you have focused on homeowners and the move-up market, you need to find a way to adjust your products and services to cater to sellers.

The people that own a home and need to sell it are struggling, lost in an ocean of competing properties. It's a buyer's market. How can you shift the value of what you sell and help home sellers stand out from the crowd? What can you do to make their lives easier and help them sell their homes faster and for more money?

With every product and service you offer, your target market has changed. If you don't adjust your approach, you probably won't be able to survive by waiting out this downturn.

Linda Popky, president of **L2M Associates Inc.**, highlights this point quite nicely. "One of the biggest barriers to growth in this challenging economy is continuing to look at a new world through old, outdated viewpoints. Many of the assumptions about consumer spending and purchasing are no longer valid. ... To be successful, organizations have to (look) at what motivates their customers today and how they can provide value in today's environment."

Make the economy work for you

The sooner you recognize that the economy has smashed in your door, the sooner you can use change to your advantage. Use your time to think, strategize and figure out who your new customers are. How has their profile changed? What will make them buy? What is the value of your products and services, and how can you best communicate that value to them?

You were successful just a few short months ago, and you can be again soon. Shift, adjust and change what you are doing to cater to new market realities.

It doesn't have to involve difficult or big changes. Subtle adjustments can have a major impact — so long as they are the right adjustments.

Larry Mandelberg is a principal of BullsEye Integration, which helps companies make informed decisions to grow using acquisition strategies and executing them successfully. He can be reached at Larry@BullsEyeIntegration.com or 916-798-0600.