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## Eyes on business

# Prepare today for future economic recovery

## Evaluate customers' buying habits and change approach accordingly

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

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Businesses, or shall I say "successful" businesses, are well known for their abilities to "bob and weave" to survive economic changes.

As we all have been informed many times over, the current economy is the worst since the Great Depression. To do an effective bob and weave in this mess, one requires the flexibility of a relaxed contortionist.

If you want to survive as the recession eases and we recover, you must change your approach to selling.

If you believe there is a shift in your customers' buying habits, you need to identify where they are shifting to. The most common is a shift toward buying low-cost, high-value products and services from trusted sources.

Now that you have more time on your hands, quit playing sudoku on your laptop and find answers to some key questions — Are your customers purchasing more online? Are they buying from vendors closer to home or work? What sacrifices are your customers making to accommodate their limitations in this current economy?

Everyone knows the saying about making assumptions. Don't do it. Use your time to do some hard-core research. Talk to your staff, talk to your customers and evaluate the effects of this new information on your business.

After chewing on the changes your customers are making, it's time to figure out exactly

what change your business needs. Are you still the business your clients want to do business with?

If you find your market demanding low-cost solutions and you don't offer one, you might need to position your solution in terms of the money it saves instead of the value it creates. If you are not known as a trusted resource, you need to focus on customer relations. Remember the old **United Airlines** commercial when a company sent people out to visit every customer?

Do you understand what your clients expect and value from your product or service? Another old saying is, "One never knows his customers until he walks in their shoes." Identify the value you provide your customers — from their perspective. Restaurants are excellent examples — no longer just places to eat, they are places to be entertained. By improving the environment that surrounds the meal, the customer receives the core benefit they want while the restaurant strengthens its relationship to the customer. Understanding the client's true motivation creates new opportunities.

Before you embark on a journey of change, you have some due diligence to complete. You will need to create specific measurable goals, then you can build a plan of action to achieve them.

Your plan of action, or implementation plan, must address every area of the business affected by your intended changes. Potential problems must be identified along with risks and mitigation plans. To be thorough, you should also include a competitive market analysis and budget.

The implementation plan should take into consideration everyone your business touches, the stakeholders in the value chain, and it should be a large list. All your employees and vendors should be included. Your landlord is a stakeholder if you rent or lease, and the county is if you own. It should also include those businesses that are near you. If you are a business-to-business company, the clients of all your clients are also stakeholders to some degree.

Don't ignore anyone simply because you think they aren't directly related. The more effectively you can expose all your stakeholders to positive change, the more successful you will be at achieving your goal. This is why a communication plan is key to every successful change effort.

All of your stakeholders need to be informed as to what you are going to be doing before you do it, and they need to understand how it will impact them. If you leave that to chance, they will find all the problems and weaknesses in the change before they recognize any benefits. Be sure to promote the benefits clearly and frequently using those communications tools your customers prefer, not just the tools that are easy for you to use.

Our current economic environment is tough. If you look at it in perspective, there are far more businesses doing well than doing poorly. If yours is on the brink of being engulfed by the recession, roll up your sleeves and get to work making some meaningful changes.

If you keep doing what you have always done, you will continue to get what you have been getting. Said another way, what worked yesterday won't work tomorrow. Change is inevitable. Don't let it just happen — be the one who drives it.

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