

From the Sacramento Business Journal:

<http://www.bizjournals.com/sacramento/stories/2008/10/20/smallb2.html>

Got growth?

The right business can prosper in any economy

Stronger focus on customers' needs can help you ride out the recession

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

Date: Sunday, October 19, 2008, 9:00pm PDT

Related:

[Technology](#)

Of late, the morning news seems to pour out nothing but doom and gloom on the national economic front. Each day Wall Street shifts and groans under seismic change as Main Street appears to retreat into the next ice age. Throwing initial panic into the pool of nervousness, Wall Street's rocky response suggests business, as we once knew it, is surely going down the drain.

Some very smart people created some very real economic problems and good solutions remain elusive. Rest assured, growth and profits are still out there, even in this mess.

As Wall Street's recent run of glory seems to flicker and dim, new business opportunities rise like a phoenix from the scorched earth of the housing debacle. The current economic environment is chaotic yet many businesses continue to thrive.

Ever since the industrial revolution, American business has gone through cycles of so-called good times and bad. Even in those bad times, cloudy skies have a few rays of sunshine that find their way through so long as you know which way to look. The trick is being able to get past the collective wisdom and find those opportunities you and your company can take advantage of while everyone else seems to be suffering.

There are two primary reasons a company does well in a “down” economy.

- The business is resistant to economic hardship — agriculture, security, protection or health care are classic examples for obvious reasons.
- Businesses that are a part of the value chain providing products and services that serve and protect the general public tend to remain strong.

Whether a business is resistant to hardship or part of the value chain, they are inexorably linked.

Economically resistant

People must eat to survive. Anything that helps get food on the table easier at a lower cost will always be in demand. Products and services connected to food are also a powerful platform on which to build revenue.

When times are tough, people tend to buy fewer new items and repair older items as they break. One example: New-car sales are down dramatically while auto repair shops and auto parts stores are seeing sales growth at a time when other stores on their block are suffering. Linked directly with food and repair, transportation is another industry that enjoys consistent strength.

Serving the general public

Our society has become addicted to energy and technology. From the iPhone to the Kindle, we keep creating new “must-have” devices that keep us tethered to a power outlet, regardless of new battery designs. Any business related to the creation or distribution of energy tends to be strong regardless of the state of the Union.

The modern off-shoot of this concept is “green” energy. Demands for solar, wind and wave energy keep growing at a faster pace each year, both in research and production systems. These industries have the added advantage of being recipients of beneficial tax treatment and multiple creative funding vehicles.

Industries rich with public-sector support through good times and bad include fire protection, crime prevention and health care. Any business delivering value to these markets will be working from a solid foundation it can stand and grow on.

Finding your sweet spot

What’s hot? Exporting — translation, minority focused products and services are hot.

Property management and maintenance work along with low-cost retail products are hot. Services in accounting, health care, food and basic needs suppliers (retail), staff management and efficiency, accountability and feedback systems, lawyers, accountants, technology, government sector support, process improvement, environmental sustainability, cost reduction programs — even cemeteries and mortuaries.

There are many ways you can redirect your business toward one of the areas of the economy that are still strong, and have a good, sustainable future. Of course, finding those links is not easy; if it was, nobody would be hurting. When you can find new ways to demonstrate value, you will be well on your way to making your business recession-proof.

How do you begin? This is the ideal time to reconnect with your customer and supplier base to reassure them you are doing well while strengthening your relations with them. Ask them what they need to succeed in this economy, and let them know you are looking for new ways to deliver value to them and help them grow. You might be surprised at some of the creative ideas they have for you.

As fads and trends change, so do the areas of opportunity when a strong economy transitions through a down cycle. As competition struggles and fades, many possibilities lay hiding in their wake. Right now is an excellent time to take a close look at your market strategy and seek out new ways to reposition for previously untapped or unrecognized markets. Change is upon you whether you like it or not. If you embrace it and keep a watchful eye for hidden business, you just might find yourself back on top of the wave instead of stuck in the trough.

For a more aggressive approach to growth, check out the upcoming event “An Insider’s Look at Acquisition Strategies” at ceoluncheon.com.

Larry Mandelberg is a director of BullsEye Integration, which helps companies grow with personalized acquisition strategies that integrate cultures, systems and processes. He can be reached at Larry@BullsEyeIntegration.com or 916-798-0600.