

Marketing  
Tip of the  
Month by:

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## Success in a Recession

*"Don't find fault, find a **remedy**."* Henry Ford

*"In the middle of  
difficulty lies  
**opportunity**."*

Albert Einstein

*"You can either  
**take action** or  
you can hang  
back and hope  
for a miracle.  
Miracles are  
great, but they  
are so  
unpredictable."*

Peter Drucker

On the 7<sup>th</sup>  
October 2008, I'll  
be one of six  
speaker work-  
shopping this  
subject.

**"The Success  
Factor"**,  
At Bytes  
Conference  
Centre, Midrand.

1-Day, R860.00  
incl. VAT per  
delegate.

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1. Write a **Recession Marketing Plan** with your multi-functional team.
2. It's not all about the Balance Sheet & Income Statement: what about **Human Capital** (employee motivation & skills), a Strong **Customer Base**, Strength of **Brands** and a motivated **Channel-to-market**?
3. Consider withdrawing from weak **segments**. Rather focus on opportunity segments vs. low return headache segments. Alternatively, consider dropping **non-profitable** Customers in these segments or raise their price.
4. Focus on **segments** you can dominate after the recession.
5. Find new attractive **segments** where the competition is weaker, and **attack** these already weakened competitors.
6. Careful, some companies will **use this crisis to attack you** too. Markitects has three standard talks: 1) *"How to **attack your industry leader**?"*, 2) *"How to **attack well guarded markets**"*, 3) *"How to **attack your low cost rivals**."*
7. Improve your service to your **valuable customers**. *Protect them by **adding-value** or building in rebates.*
8. Brainstorm ways to reduce the **routine cost** of servicing high-cost-clients. Phone them, don't drive there every time. (**RAM** – Remote Account Management works, and some Customers may even prefer this!). Work from home and increase your productivity this way too!
9. **KAM**: Key Account Management – when you see a Client don't just pop-in, **be a Management Consultant** and assist their business. Suggest ways to improve *their* strategy. Interview *their* Clients for some great ideas, and reveal the results to them in a formal presentation.
10. **Pay staff for performance**, not just for showing up at work.
11. **Product Portfolio**: withdraw weak products, and introduce (R&D) economy 'recession' products which Customers can afford, and hopefully also give you good gross profit margins.
12. Have a **broader Product Portfolio** to support each targeted segment, so whatever the economic climate, you will attract Customers.
13. **Maintain your market share** by sweetening the deal through rebates, volume discounts, Customer training, free installation, free maintenance, but keep your list price high to maintain your image.
14. Choose the best **channel-to-market**. High volume at a good GP%.
15. **Advertising does not make Clients buy in the short-term**, so use sales promotions. I.e. creative contests, frequency programmes, etc.
16. Nail your agency – **ineffective adverts** must be penalized.
17. **Outsource** at a lower cost. **Rent**, don't buy. Decrease **Inventory**.
18. **Be a Leader**. Get people excited about your new **exciting Vision**.
19. Pay your suppliers 60-days. (This one is for your accountant!)