



NOW IS THE TIME FOR GROWTH

by David Bernstein

The current economic conditions we find, most businesses, small, medium or large, are struggling for survival. Many businesses are off prior years' revenue numbers by as much as 30%, in some cases closer to half. The first steps usually taken to adjust to this new situation are cost reduction. Aggressive cost reduction in most cases, layoffs, reduction in R&D, reduction in advertising and travel and sales and marketing work in specific, obviously, that does improve overall profitability. However, there is another reality, based on the laws of supply and demand. As the known market place compresses, the fact is you have an out of balance situation between the demand for your product, and the available suppliers. The demand decreases faster than the suppliers leave the market. The economy will continue to downsize until such time as we achieve some balance between supply and demand. It is unlikely that in the near future, that supply and demand balance will correct itself due to a dramatic increase in demand.

What is going to bring the supply and demand balance back to some kind of equilibrium? Well, it's simple, the suppliers must fail. A dramatic reduction of suppliers will in fact adjust how the demand is serviced. So what does that mean to your business? The answer is obvious the survival mechanism that you need to adopt is not one solely of cost containment, but it must include an aggressive growth plan. Bottom line is you're either growing or you're dying. I think the current market survival need is EAT OR BE EATEN. If you are not developing an aggressive growth plan that you can implement to take market share from your competitors, they will take it from you. I have had many business owners point out to me, that they don't have the money. They can't afford it. I think that is shortsightedness to start off with. I think the first thing you need to do in developing your plan, is establish one or two target objectives. What do we need to accomplish? The need, should not be measured by weather or not you believe you can afford it today, it must be measured by what the business requires to grow. Then in developing the implementation plan, we will have to struggle to find ways to fund these steps. But need is not a function of financial convenience. Need by definition is a lack of something required. It's time for each of us, individually and collectively, as a business, as a market, and even as a community in some cases to reengineer our outlook. What must we do to grow?

The first thing you need to do is take a look at your market served. You know who you're selling to. Where are they? I think one of the easiest things to do, and once again, I use the word easy in a rather loose fashion, is to expand your geographic market served. If you are regional, hire reps., sell throughout the



country. I think the first thing you need to do is to determine what the market potential in the selected geographic area is and find a representative. I don't think you can expand geographically without feet on the street, the most successful way I found is through commissioned reps. I suggest that that practice be done through referrals. Very often that may necessitate the assistance of somebody who has done it before in a consulting or advising capacity to help you get through it. It's a big deal to expand your market geographically, but it can be very successful. In any event, expanding your geographic market is, in my opinion, a very good way to begin looking at your sales growth plan.

The next area I would like to talk about in regards to developing your sales growth plan is the extension or expansion of your available market served. Many businesses have a set of capabilities that are not totally in sync with the market sector they serve

In a declining market, I think it is imperative that we take a look at what your actual in house, capabilities are, and where else beyond your current market niche, you may have potential revenue possibilities. The reason I recommend that for consideration is if you can sell to a different set of customers without changing what your basic capabilities are, it means more potential revenue with no additional infrastructure investment; that is always an appeal. That's the positive side of the equation. The negative side of the equation, of course, is that a different set of customers, a different market segment will in fact result in a different set of sales techniques. If your business does not know who these customers are, does not have contact with these customers, the whole sales operation needs to address that. I think the best way to do that is through market communications early on, build a web page, do your advertising in the new market segment and expand that way. . Many businesses don't put the efforts into the dynamics of market communication that's available today. Do you have the resources to address these things? There must be sufficient effort to get the word out; selling works.

The point that I want to get to now is once we have identified what we want to do, and how we want to do it on a macro scale, the next task is to identify what steps need to be taken. I'm talking about the actual implementation plan, because the implementation plan must consider the budgets. In this case I'm not only talking about the dollars necessary to fund this effort, but the hours and skill sets necessary to implement this. It is necessary to determine what your human factor is and how you are going to go about doing this. Necessity must drive your implementation plan.

The implementation plan must also include a time line, and the time line needs to be sensitive to where your current business situation is. Are you, in fact, sustaining your business right now? If you are, then the time line need not be nearly as aggressive as if you are in jeopardy of absolutely turning the lights



out. You need to realistically look at where you are and determine how long you have to implement this plan. Obviously your ability to fund it is going to impact that time line

One of the single largest causes of business failures is that the individual entrepreneur fails to adjust out of his or her comfort zone. Many people don't ask for help. When your business is starting to decline, asking for help and being able to ascertain what intelligent assistance is and what good experienced assistance is becomes critical. You must be open- minded; you must be able to go beyond your comfort zone and think in terms of your end result. Without a goal in sight, how do you know what kind of progress you are making?

The point I would like to make in closing is that there are consulting firms and individuals available to give you the assistance necessary. You should not put yourself in a position where you have to do these evaluations or make these judgments alone I don't like to self-promote, but David B. & Associates does have these skill sets at its disposal, and we can help you pretty much across the board. In closing, I really want to emphasize the point that maintaining the status quo is a plan to fail. True long term success does require growth.