

Marketing In An Iffy Economy

INTRODUCTION

In every period of an economic cycle, companies in start-up, adolescence and maturity struggle to find the proper balance of investment or focus on sales, marketing and R&D. Depending on whether the economy is up or down, companies tend to lean more heavily on one of these competencies, often to the detriment of the organization, as well as their existing customer base.

In periods of economic downturn, areas perceived as cost-centric are scrutinized more heavily (Marketing, R&D and IT) and areas perceived as revenue-centric or cost-cutting (Sales and Accounting) are supported more heavily. The unfortunate truth is that most economic indicators lag rather than lead, causing companies to act in ways that treat past conditions rather than embracing or anticipating the next curve.

WHY THE URGENCY FOR MARKETING NOW?

When the economy is tight, companies often turn inward toward their own objectives and systems of compensation and reward. The evidence of companies that have forgotten the customer, failed to market and have dug in

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from a sales perspective in times of economic stress is widespread.

Focusing on the customer in difficult times can feel like a distraction. Keeping the customer front and center has yet to become a disciplined focus of either sales, marketing or R&D functions. This pattern can be seen in the late 1980s and following the dotcom bust of the early 2000s. Given current economic projections of a possible recession in 2008/2009, again expect companies to turn inward, forgetting their customers and losing the discipline to focus outward and forward at a critical time.

ARE YOU BALANCING YOUR FOCUS ALONG THE SELLING & BUYING CYCLE?

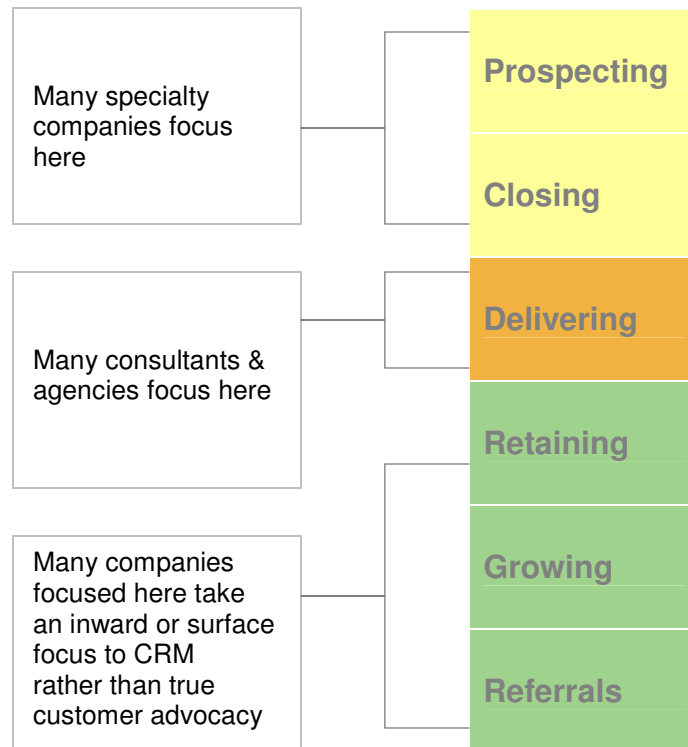
When considering the buying or selling cycle, many consultancies, agencies, professional services organizations and companies focus on filling one, but rarely all, of the phases of the sales cycle. (See Figure 1)

TREAT THE DISEASE, NOT THE SYMPTOMS

Implementation of CRM systems alone will not give management and the people closest to the client the insight they need to drive their business with their customers. Many mid-sized companies in technology and healthcare, are investing in software packages and CRM systems creating an additional layer between internal constituents and the customer—one more thing to learn and one more expenditure that prevents their people from seeing reality quickly and acting. A human interface or advocate continuously reviewing data that speaks for clients—in addition to providing customers with a sounding board for their ideas and needs—can bridge the gap.

If you, as a business leader, can stay out of a month-to-month or quarter-to-quarter mentality—often

FIGURE 1 : PHASES OF THE SALES CYCLE



nearly impossible for public companies—and instead focus on the ongoing cycle of the economy and your customers' place in it, you can likely withstand the coming storms and subsequent calm. Focus outward rather than inward, focus with substance and depth rather than surface treatments. This is a luxury that may be unique to smaller and private businesses. It is an enviable position that, with discipline and hope, can become your strongest advantage in managing your business.

To do it requires a mix of people in your organization—those that care passionately about making this week's payroll and those that care just as passionately about embedding your unique value, in a sustainable fashion, with customers over a long, long window. Marketing is BOTH of these things.

MARKET AS IF ANYTHING IS POSSIBLE

Marketing done properly is everyone's job, most importantly top leaders in the business. Marketing can be accountable, not as a department or a set of vendors or activities, but as a principle you use to guide your business.

Where are you in the life cycle of your business? Where are your

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customers in their life cycle with you? Where do you personally fit in the machine or microcosm (called a company) that can positively impact business growth, profitability and rewarding customer relationships?

For help answering these questions contact Modo Modo Agency at 404.429.3683 or info@modomodoagency.com.

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