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MARKETING

How to accelerate your business post-pandemic

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A plan with several back-up options is key to survive rough times. Image credit: Chief Outsiders

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It is unlikely there is a CEO in America unaffected by the COVID-19 pandemic and all are probably sick and tired of reading introductions like, "We're all in this together," or "In light of these trying times." Yeah, everyone agrees.

Face it the business leader's perspective is unique. Company owners/CEOs probably feel like they are in this all by themselves. It is lonely at the top. Perhaps some practical tips to help move the business through the hiccups and return to healthy growth would be welcomed.

A healthy starting point is in assessing the phase of growth in which a company finds itself:

1. The recovery phase
2. The accelerating growth phase
3. The slowing growth phase
4. The recession phase

It may sound counterintuitive, but the state of the economy does not define the growth phase of a company. It really does not. So, keep in mind that these phases are internal to the organization.

For a deeper understanding and how to determine a given company's specific phase, consider referencing "Make Your Move" by Alan and Brian Beaulieu.

With this understanding, here are some specific tactics a CEO can take right now to manage the current uncertainty.

1. Recovery phase:
    1. Suppliers: Now is the time to lock in commodity prices and renegotiate or finalize raw material contracts before prices begin to escalate. Include new and alternative vendors in the mix likely they are hungry and ready to cut a deal.

    2. Human resources: Though it may seem odd, adding "Grade A" sales professionals is a must-do right now. During economic slumps, the available talent pool tends to ripen with quality. Also, implement training programs so the team is prepared to face the coming growth surge that typically follows Phase 1.
    3. Sales and marketing: Double-down on customer research and tap the insights of vendors for market intelligence. Build go-to-market strategies complemented by digital/traditional advertising and marketing programs that exploit competitive advantages and tout strengths.
    4. Operations and production: Consider acquiring technology/software to improve the business's ability to scale quickly and ensure production and distribution can handle increased activity. Most importantly, phase out low-margin work in favor of robust business that will strengthen the bottom line.
2. Accelerated growth phase:
    1. Human resources: Fast-track corporate training. Identify opportunities to outsource or subcontract production overload to combat pressures caused by internal resource tightening from recent recessionary/recovery phases.
    2. Sales and marketing: Do not be afraid to increase price points. Though buyer activity may level off initially, profitability will increase as a result. Undertake efforts to enter new markets geographically or new industries but avoid offering them brand new products/services.
    3. Manufacturing and distribution logistics: Watch out for process bottlenecks and react to problems before production slows. Continue building and managing inventory. Consider additional distribution centers nearer top customers to reach them faster than the competition.
    4. Out of the box thinking: If there is capacity, take on subcontracting work. Bonusnow is the time to consider selling the company if conditions are right. In Phase 2 the business is growing, it is the best time to get top dollar if a CEO decides to sell.

Note: Once the early period of Phase 2 ends, freeze expansion plans. Phase 3 often follows Phase 2, so avoid exposure when decelerating growth occurs.

3. Slowing growth phase:
    1. Suppliers: Keep a close eye on accounts receivable. Evaluate vendors for strengths and weaknesses.
    2. Human Resources: Early in Phase 3, let natural attrition reduce staff but do not hesitate to begin strategic workforce reductions if necessary. Reduce training unless deficient employee preparedness presents a competitive disadvantage.
    3. Sales and marketing: Judiciously manage the overall advertising budget, placing marketing resources against significant targets. Deemphasize commodity-priced products/services in favor of superior ones.
    4. Operations: Decrease on-hand inventory while maintaining sufficient stock to meet current customer demand. Cash is king, so winnow down any aged accounts receivables. Do not allow quality issues or problems like slow delivery to fester or risk losing ground to the competition.
4. Recession phase:
    1. Human resources: Continue reducing headcount to bring expenses into check. Eliminate overtime. Decrease overhead. Consider combining like-capability departments to reduce management headcount.
    2. Sales and marketing: Be selective with paid media choices, using customer/company wins in promoting positive attributes. Due to the bleak Phase 4 outlook, competitors will likely bail on marketing and/or cut sales expensesdo not jump on that bandwagon.
    3. Though temporary price reductions may be necessary to capture new accounts or expand offerings, tighten, rather than ease, credit policies. Keep a close eye on customer receivables. Company salespeople will not like this at all. Do it anyway.
    4. Out-of-the-box thinking: Increase requirements for capital expenditures. Purchase critical equipment for success during a return to Phase 1 and 2. Review lease agreements and do not be afraid to negotiate relief or space improvements.

Note: If the business is in the latter portion of Phase 4 with the internal recession dissipating, consider these strategies:

- Grab market share from troubled competitors through innovative products or by strengthening competitive advantages of current offerings.
- Purchase distressed companies that mesh with current operations.
- Procure commercial property that may be offered at bargain prices and fund via lower interest rates. Be bullish on the economy, as it will indeed bounce back.

Bottom line

The key to making the turn resides first in determining the internal business growth phase, coupled with external factors in markets where the company participates.

An excellent complementary CEO resource is the ITR Economics Trends Report that provides monthly insights regarding key dynamics impacting core US markets and the economy.

CONNECTING THIS information with the internal growth phase of a CEO's business will empower him or her in incredible ways and adding these tips can help a company owner or CEO solidify an execution plan to not only survive but actually thrive in today's turbulent marketplace.

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