

10 Strategies for a Downturn

Peter Fisk



Downturns are moments for rethinking, for focusing on what makes you special, for getting close to customers, for smart and bold moves, for shaking up the market, for asserting yourself competitively, for reaching out to new customers, for staying positive.



Indeed, analysis in my new book "Business Genius" (just published) considers the business cycles of the last 150 years and find that the points of maximum innovation come just before the upturns, and that these companies bold enough to invest whilst others are losing their heads (a Kipling quote in there, somewhere) are the ones who go on to be winners.

So here are 10 strategies for surviving, and thriving in a downturn:

- 1. Strength** – downturns sort the wheat from the chaff, the robust business models from those developed on a wing and a prayer. Some companies will go under whilst others will be ripe for acquisition. Look at the airlines, the banks, the supermarkets.
- 2. Speed** – some companies have the foresight and agility to respond to changing conditions, and others don't. Virtual companies, franchised brands, and small businesses can flex business models, reduce costs quickly, and respond to changing consumer motivations.
- 3. Focus** – we know we don't need all our products, or even all our customers - 80:20 revenue, 90:10 profit - but we are usually too lazy to do the analysis, and make the hard decisions to focus on the value creators, and eliminate the value destroyers.
- 4. Icons** – customers typically focus more on the big ticket savings – downsizing their houses, buying a smaller car, taking fewer holidays – rather than the small items, which can be less prone to reduction. Travel less, but still buy Starbucks.
- 5. Selective** – whilst customers might buy less, they become more selective about where they spend money. In emerging markets, people might have little money but still want a Louis Vuitton handbag or an Audi car.
- 6. Value** – the mid market that combines smart quality with a good price becomes fashionable again, good quality and design but at better prices – a Swatch not a Rolex, Gap not Calvin Klein, Pret a Manger not Carluccios.
- 7. Innovation** - applying innovation to other areas from business models to sales channels – reduce cost and risks by moving to a franchise model, improve speed and efficiency with direct sales, move to minimal (and eco friendly) packaging.
- 8. Upturns** – follow downturns like night follows day – so as long as you can survive the slump, the winners in the next upturn are those who invest during the downturn, change the industry structures, redefine value. Low cost airlines become mainstream, online banking the norm.
- 9. Stories** – brands are storytellers, typically about dreams, achievement, fulfilment - helping confirm to customers why they are buying. In downturns brands need to evolve to tell a different story – about practicality, restraint, choice and good value.
- 10. Champions** – there is ultimately no better tactic than to be on the customer's side during a downturn – emitting empathy and support, helping people to save money, in more human and collaborative ways, reflecting the time, balancing prudence and passion.

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Peter Fisk is an inspirational author and speaker, consultant and entrepreneur. His best-selling book *Marketing Genius* has been translated into 28 languages, and he was recently described by *Business Strategy Review* as "one of the best new business thinkers". His new book *Business Genius* describes the challenge of sustaining business growth through turbulent times.

He has worked internationally with market leaders including British Airways and Coca Cola, Marks & Spencer and Microsoft, Virgin and Vodafone. He was the transforming CEO of the Chartered Institute of Marketing, led the global strategic marketing consulting team of PA Consulting Group, managing director of Brand Finance, and partner of strategic innovators The Foundation.

He now leads The Genius Works, helping business leaders to see things differently – to develop and implement more inspired strategies, innovation and marketing. *The Genius Lab* is an accelerated innovation process. *Zoom Ventures* brings together business investors and social entrepreneurs. *The Fast Track* is an accelerated development programme with workshops and retreats worldwide.

For more information email peterfisk@peterfisk.com