

Seasonal Slumps:

How to Succeed When You or Your Business Is in a Rut !

Slumps are an inevitable part of the business cycle, but making it through your first one can be scary.

"I remember my first business slump," says Hank Conklin, CEO of a small distribution company. "All of a sudden my clients needed fewer products and were paying their bills more slowly. My business fell off almost at once. I thought I'd done something wrong. Now I know better." After surviving the first one, Hank did some research.

"I found out that business slumps are a part of business life," he explains. "It wasn't my fault. The economy wasn't doing well, and all my clients were in hard-hit industries. I read what all the experts had to say: market yourself, advertise, remind your core clients and diversify. They were right, but over the years I added a little advice of my own—don't panic and make a plan."

Don't Panic

The worst thing you can do is panic. Since business slumps are a part of your life in business, you need to figure out how to deal with them. Don't do anything rash. You've noticed a problem, so you need to stop and think about how you will deal with it. Like any other business issue, you want to think about all the possible angles.

Make a Plan

After calming yourself when you realize you have a problem, make a plan of action for yourself and your company during the slump. You can use this article as a guide. As with any action plan, you need to figure out what you are going to do, the deadline to do it and how you will measure the results. As you take each action, monitor what happens. Does the action seem to improve business? If so, make note of it for use during future slumps. Once you have a plan of action, save it as a blueprint for your next slump. You can note which actions worked and which did not. Also, you won't be tempted to panic because you've already got a proven plan in place.

Market Yourself

Since your business is slow, you need to do more marketing. Give speeches to local groups about business-related topics. If you've been in business for more than a year, you'll already be an expert on a variety of topics.

Network in your trade association or in a local business group. Pass out your card. Chat up other members and schedule speaking engagements for yourself. You want to get the word out as much as possible without much expense.

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Write a column for a local paper or a trade magazine. Get interviewed about your business. A good way to get press for your business is to help a local charity. Volunteer to help a charity or to co-sponsor a charity fund-raising event. The charity itself will help you get media coverage for your good deeds.

Send out a quarterly newsletter to your clients. Help them find new ways to beat their own business slumps. Offer coupons or discounts for orders. You can also offer bigger discounts or coupons if your current clients give you referrals to new clients.

Advertise

When business is bad, many companies become turtles and pull in their heads and feet until the storm passes. Actually, a slump can be a good time to expand and to advertise.

If the economy is difficult, many advertising agencies and even media outlets are anxious for new business, and you can get excellent rates for advertising. While you don't want to expend too much, it can be a good idea to advertise when your competitors are pulling back.

While they are hiding in their shells, you and your firm can overtake their market share.

Remind Core Clients

Your core clients—those who have been with you for years—are your No. 1 source of more work. So remind them again about what it is that your company does. You may be surprised to find that even your best clients don't understand everything that your company does. Clients tend to know about the services that they use all the time or the products that they buy. Remind all of your tried and true customers about the vast array of your services. Do this in person if possible. Otherwise, send them a letter, a newsletter or an e-mail.

Diversify

One good way to keep business slumps at bay is to diversify your client base. One big client or clients all in one industry make you vulnerable to the same slumps that those customers endure. But if you have clients in a variety of industries, your company can prosper even if one industry sector is going through a slump.

Think about similar industries that you can investigate or complementary products that you can begin to sell. Chances are that you could enlarge your client base or product base without a great deal of effort or expense. And the changes you make today could save you from the slump of tomorrow.

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