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## The Key To Recession Marketing Success Beyond The Moment

*"We're obviously going to spend a lot in marketing because we think the product sells itself." -- Jim Allchin*



Recession marketing. It will test your mettle. So a word to the wise is sufficient. This recession is going to be a real bad one. It will pay off to pay attention to those who have lived through a few lumps before.

Agnes Lamont is a veteran at this. As a partner at MarketingSage she has done a superb job delivering this timely wisdom in her recent white paper "The CMO's Recession Survival Guide." The guide is a no-holds-barred, get-real-and-down-to-business declaration of what every marketer must come to grapple with this year to stay in the profession.

From the start Agnes grabs you by the throat with the realities of the economy, then begins to describe human nature's conventional path to denying the unavoidable:

The standard action as recession looms is to postpone purchases, make some project cutbacks, implement a hiring freeze and go into planning mode. Generally, progress is stalled but no bold, decisive action is taken at this time.

It behooves you to stay outwardly positive, yet plan for a long siege.

True. But plans require anchoring in reality. Do you have the metrics you will need at your fingertips to assess operational capacity? Do you know the process areas that you can afford to modify for efficiency? Do you know the type and magnitude of impact on effectiveness that making a change on your existing marketing process will produce in an emergency?

### This Recession Will Outlast Your Cost Containment Strategy

A growing number of economists have said [this recession will be the longest, deepest, and most destructive in the post-World War II era](#). What happens if this present 1 year-old downturn lasts yet another or even 2 more years? Do you think that's hard to swallow? [Bloomberg](#) didn't think so in December 2008:

At 12 months, the recession is already the longest since the 16-month slump that ended in November 1982. The recession is the 11th since a downturn that occurred in 1945, the year that

World War II ended. . . .

Also preventing the unemployment rate from climbing even more last month was a surge in part-time workers. The number of Americans saying they worked part-time last month due to economic reasons -- either because their hours were cut or they couldn't find full-time jobs -- surged to 7.32 million, the most since records began in 1955. . . .

Financial firms decreased payrolls by 32,000 last month, after a loss of 31,000 in October. The report also reflected the housing slump, with builders eliminating 82,000 posts after a 64,000 drop the month before.

'We don't get the job losses stopping until 2010,' Kurt Karl, chief U.S. economist at Swiss Re in New York, said in a Bloomberg Television interview.

It's hard to believe with all the hoopla going on, but short-term, reactive thinking to reduce expenses in this recession may not pull marketing out of the long-term cage it could lock itself into, if it misses the opportunity to do the right thing (formulate a new business process strategy) while trying to do things right (cut expenses).

Marketing needs to balance cost containment with operational investment both to survive and thrive in this long recession. Recessions are not all about cutting costs. Neither is recession marketing. They're also about re-investment.

Likewise recession marketing is about shifting your funds toward a more integral, efficient and effective marketing operation. This reformulated marketing process reduces the costs while producing the results that will *keep* you in business.

## Take Right Stock Before They Take Dead Aim At You

Although it is natural to consider how hard you worked to pull a team together, get systems, tools and relationships in place to help you be effective and grow your business, now is a time for brutal clarity about what is required for survival, not an optimal future.

This pessimistic stocktaking and planning for survival can help you make better decisions and remain more effective down the road, as you are called upon to make budget cuts, lay people off and shift gears to fulfill changing corporate needs as the reality of recession takes hold.

Agnes is right. But the solution is not to scrap what you've done before. The solution is to redeploy it for maximum impact at the least cost. If you understand your current state, you are poised to decide how to modify it without loss of impact. You will continue to match demand at the rate the market requires of you. But fail to know your current state and you will fail to optimize your new operation even if you cut costs to the bone.

Office politics get worse during recessions. When products do not sell, many salespeople blame marketing. They complain about low sales lead volume, poor quality sales leads, the lack of participation in trade shows in their territory, the lack of

publicity and the lack of sales tools. They also complain about the firm's inability to deliver new product features and/or one-off products.

New demands on engineering and manufacturing also lead to political maneuvering. The pressure to ship new products and features increases marketing's need to launch them – inexpensively. Additionally, the production of packaging, manuals, training material, sales collateral and promotions can be seen as bottlenecks to revenue.

The investors are not going to blame themselves for accepting an overly optimistic sales forecast. Even if they didn't believe the forecast, they see a benefit to leaving the CEO on the hook to meet it. Additionally, firm's executives are not going to blame themselves. First of all, a recession is not their fault and almost all manage to the best of their ability with the information they have. You can't run a business without taking calculated risks.

This is an eloquent statement of brutal reality. Marketing has no place to hide. It has a bull's-eye painted on all sides. Surely the 8 recession rules that Agnes suggests [here](#) will help facilitate removal of some of these dartboards hanging off of marketing's sensitive parts. But one thing holds them together. One thing links them in a way that also makes them operationally effective – **process**.

## Take The Lead In This Key Area Or Get Taken To The Cleaners

A mantra has developed and will continue throughout the first half of this recession: get tactical. The medical analogy is the hemorrhage. "We're bleeding money! Get a tourniquet!" But a tourniquet is a temporary measure. Use it too long and it leads to gangrene and tissue loss!

You cannot stay tactical too long. It will as surely drive you out of business as doing nothing will.

These 8 Recession Rules are no doubt difficult to follow. They require a focus on the short term, often at the temporary expense of the long term. They also require you to carefully time each move. If you cut too much too early you won't have anything left to salvage and you may not have the tools to do anything at all.

But the pressure to react can and will likely be unbearable. Before you get there, take on the leadership role. Figure out **how** you work and not only when and how much cost to cut. Don't want to bleed? Then move quickly away from sharp objects you can't handle.

You got cut and now you're bleeding? Then stanch the blood letting by knowing how to use fibrin foam and not only tourniquets. Know your business process and how to change it correctly. Document it. This is your first and most crucial step to undertake. You will need it to [remain nimble, flexible as an operation](#), and to stay employed long-term.

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