



A different approach for a new economic era

Deanna Lane

24 October 2008*

The old recession two-step...this is how it works, and why it fails.

Step one - Recession on the horizon, cut marketing expenditure, reduce marketing department (and call it restructures or redundancies), increase fees and start charging for previously free services so that you 'make budget'.

Step two - no-one left in marketing to write/invite/communicate with or bid for clients. Those staff who are left are stressed, worried about their job, aren't able to make decisions, productivity decreases creating more pressure to reduce costs; clients get frustrated because they aren't getting any service, they lose interest and go swiftly to smart competitor who has kept up relationships and (appropriately reduced) marketing momentum.

Back step/change partners - rehire new marketing people who bring new direction/focus/attitude; try and make up for lost time. Spend more money trying to catch up with and compete with competitor, reduce price on services previously 'hiked up'; spend even more money trying to win back old clients or get existing clients to give new business even though they have been ignored.

Too many organisations are doing this expensive dance.

Battening down the hatches and hoping the economic storm will blow over while their smart competitors are taking small, measured steps forward and ensuring that they are working together with their clients to ensure that both organisations succeed.

Cost cutting and redundancies only solve immediate cash flow problems - but this does not secure the future of the organisation. Most cost cutting strategies may keep the firm's financial head above water but with smart planning and consolidation, they can utilise new strategies to secure their current income streams while at the same time moving forward.

Those organisations that are planning, reviewing and focusing on products and services that are important to their clients right now - rather than simply cutting costs - will be the successful organisations of the future.

As the saying goes, **if you can continue operating effectively in an economic downturn, then you will be well placed to soar when the economy turns.**

Today more than ever before, it's time to clear the way for a more strategic focus on what will not only help retain valuable clients, but will also assist those clients to secure and build their own client base. This is the future and this is where clever marketing can deliver a valuable service.

Getting your house in order

A marketing review or 'audit' can help reduce the current marketing spend and ensure that everything is in place to help companies focus on their business and their clients. The key objective of conducting a marketing audit is to review every marketing activity the organisation undertakes and see what is working and what isn't. Look beyond the obvious.

Helping your clients to survive and succeed

When organisations, particularly professional services firms review their financial targets, they must understand that their clients are doing the same thing. Every organisation is looking for ways to continue building their business. Their growth strategy will be to find new business opportunities that they can afford to pursue and importantly, to grow their business from their existing client base. One very successful way of achieving this is to know your clients well. Understand their strategic plan, their new business development objectives. There are many ways to help a client.

Case Study 1: The head of an international software company appoints a law firm to handle a legal matter. The firm is brilliant in giving legal advice and finalises the matter, sends in the invoice and that's that. They don't see beyond that transaction and therefore don't 'service' the client by providing information /newsletters/seminars to educate their client and hopefully prevent a similar situation occurring. This same client receives on a regular basis, invitations from another law firm to seminars on the topic (which they willingly attend) and newsletter updates on the legislation relating to the topic and which may have an impact on their business (which they willingly read and display in their reception area of their offices). You can almost sense what will happen. The firm that pays attention to the client will get future business.

Case Study 2: A few years ago, a middle sized accounting firm conducted regular client service audits with their clients to ascertain their level of satisfaction with the services provided. In almost every case, during the audit the client instructed them on a new matter or requested their assistance with a new business acquisition. Accounting firms who regularly meet with their clients to review the strategic plan will always increase the volume of work they receive from that client. The time spent by the accounting firm when doing the audit will be more than paid for in new fees.

*This is an extract of an article that was first written and published in February 2002 at a time of economic uncertainty following the events of September 11, 2001 and the collapse of Ansett. It was a time when companies were slashing their workforce by the thousands and marketing budgets were cut. Those who followed some of the simple steps outlined in the full article are stronger today and more successful. Their clients are loyal because they helped them when times were bad and over the past 6 years they have grown together.

Deanna Lane is Managing Director of **Fastlane** Consulting. She has almost 20 years experience in senior management, marketing and business development with top tier law firms, financial institutions, accounting firms, industry associations and professional education bodies and provides them with strategic advice and support.

The Marketing Review/Audit is a unique service developed and implemented by the author.