

# WINTER IS COMING

The economy has been riding high for a while, but it looks like we might be in for leaner times, even if Treasury is predicting we'll narrowly miss a full-blown recession. Being in business is already getting tougher with high inflation, labour shortages, supply chain issues, COVID fatigue and general uncertainty. While profits are still strong and the impact might not have hit yet, winter is coming...

It's easy to find commentary on how B2C businesses can manage dipping consumer spend and confidence, but there's not a lot out there for those targeting other businesses – even though they make up 48% of the economy.

In times of uncertainty, what many B2B businesses do is go underground, hibernating until the worst of the storm passes. But the ones that thrive are those that make the most of the opportunities in a downturn. **HBR** categorised those as progressive companies, one of four common reactions to a recession:



**Prevention-focused** companies that make defensive moves and are concerned with avoiding losses and minimising risks



**Promotion-focused** companies that invest in offensive moves to provide more upside benefits than their peers do



**Pragmatic** companies that combine some defensive and offensive moves



**Progressive** companies that deploy the optimal combination of defence and offence

## Becoming a progressive company

Progressiveness is the category to be in when it comes to operating a B2B business during a recession. By forging ahead while your competitors are slowing down, you can snap up market share and cement your position. To do that, you need to be STOIC – and that's not just about holding the line in a tougher environment, it is knowing that you can weather the storm:

# S

**Sales and marketing:** your prospects start their buying process by interacting with marketing and online channels long before they ever speak with a sales representative. This means you need to **integrate your marketing and sales** efforts to create a single revenue pipeline. Start by breaking down silos between the two departments. A tougher selling environment driven by a recession means you need more collaboration, cohesion and communication than ever to capture, hold and convert your leads.

# T

**Talent:** No matter what your industry, there is a talent shortage – great people are hard to find and expensive to keep. Look at how you're treating your existing team, and think laterally about how you'll fill those gaps – could you add contractors, specialists, or agencies? A mercenary army that comes in, implements, celebrates and leaves?

# O

**Opportunity:** There is opportunity in a recession if you know where to look. You can grow your revenue streams by taking market share from competitors or creating new markets. There's also an opportunity to stop doing things that aren't serving your customers or your business. Keep your ear to the ground – you'll find other businesses, especially corporates, retrench to their core business and close or sell smaller business lines. This can be a great opportunity grab market share.

That might mean killing pet projects or ones that are a bit sideways to your core focus – you know the ones. This will let you invest more time and money in the areas they will have the most impact. It might be tempting to focus on activities that bring in the fast money, but keep the long term in mind, too – there's an opportunity to build your brand now, so you're well-positioned for the inevitable upswing.

# I

**Intimacy:** Your customers' needs, wants, fears and desires will be changing now more than ever. That means you need to work hard to get intimate. Find ways to hear the voice of the customer, so you can focus on what will help them grow. A progressive company stays closely connected to customer needs and clearly understands its brand's unique position and proposition. Combined, this is a powerful filter through which to make investment decisions, ultimately helping you to grow.

# C

**Credibility:** Your competitors will probably be refocussing on their "core business", retreating to a safe place to protect their margins. Reach out to the markets they've abandoned – build your credibility by demonstrating your experience with information, support and knowledge. Simply by visibly providing value, you'll cement your place as the go-to when the good times return. You need to protect your share of voice in the market. The good news is spending money on media to do this might be cheaper than you'd expect – many advertisers pull budgets, reducing category ad spend, so your dollar will go further, and your voice will be louder.

## Be STOIC and grow

Each B2B company will be STOIC in different ways, depending on your goals, brand, market, offering and audience – but getting it right will best position you to maximise the value you offer and the growth you achieve through the next economic dip.

If you need help ensuring your business becomes STOIC, you can drop me a line at [kursten@marketfit.co](mailto:kursten@marketfit.co) or book a call directly in my calendar via [this link](#).

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