

# Upselling a Bad Economy into a Good Opportunity

## Introduction

People do NOT stop spending money.

Even in the toughest of economic times, people do NOT stop spending money.

So it makes sense that if people do NOT stop spending money, businesses do NOT have to stop making money.

Though it could be deduced that the United States – both the public and private sectors – failed to learn enough from past recessions in order to prevent the current one the country is facing, so much can be learned from history. As it turns out, Darwin’s “survival of the fittest” theory is not confined to the nature of biology books. Some of the most valuable lessons can be learned from the companies that made the endangered species list during past times of economic strife in America. Ultimately, weak companies that made weak decisions went extinct.

Smart companies, however, adapted to the current climate, they evolved, and they continued to grow for generations. They prepared properly by making wise but difficult decisions – where to focus, what to sacrifice, who to empower, how to leverage what they had, and why to maintain a winning mindset during a period increasingly characterized by failure.

In facing the question of when it is time to toughen up their business for a tough economy, smart companies know only one answer – NOW.



## What Businesses Are Doing Now

The Friday, October 4, 2008 issue of The Wall Street Journal included coverage on two particular industries. A hard story off the front page, “Shipping Firms Gear Down as Slow Economy Takes Toll,” detailed the plans of YRC Worldwide (the title taken following the merger of two trucking delivery giants – Yellow Corp. and Roadway) and its decision to scale back with the current economic conditions. CEO William D. Zollars listed, in his words, “a bunch of solid execution-type things,” such as combining the terminals of the Yellow and Roadway brands, reorganizing routes, and making lay-offs so that the company will be positioned for a financially lucrative future. Referencing the big profit margins of 2004 and 2005, Mr. Zollars vowed: “We’ll be back here again.”

Shuffle through the same paper to The Weekend Journal section and there is a softer, but still financially significant, story on another industry’s chosen direction titled “Sushi Bullies.” With higher gas prices causing an increase in the costs of both deep sea fishing and transportation, plus the fact that the supply of certain fish populations are taking a dive, sushi chefs have already been paying 30 – 50 % more for staple ingredients like tuna and yellowtail. Still, in the face of these trying times, the chefs for the most part are trending back to a Japanese tradition called “omakase.” Literally, it translates to “trust the chef.” In execution, it translates to top sushi chefs serving only the rolls that they want to serve – not allowing any requests for substitutions or even orders off the menu! If customers try to add a drop of soy sauce or remove the wasabi, they run the risk of being asked to

leave. Even with many patrons having actually been shown the door at these dictator-esque dining establishments, many more are lined up at the doors waiting to get in for a truly authentic meal.

The October 20, 2008 issue of Advertising Age poured out two stories from two of America’s favorite beverage brands. “Beam’s High-Spirited Bet: \$175 Whiskey” speculates what is to come from the launch of a 30-year-aged, but nearly \$200 bottle of Canadian Club at a time when consumers are poised to pinch their pennies. Julian Cohen, Vice President of Consumer and Marketplace Insights at the distiller’s parent company, Beam Global Spirits & Wines, believes: “We’re seeing the downturn but also the continued premiumization of every desire you can think of, and that desire for luxury doesn’t just go away when the economy worsens.”

Turn a few pages in the same edition of Advertising Age, and you’ll crack open “Pepsi Upends Brands with \$1.2 Bil Shake-Up.” Waging a cola war this time against the economy instead of Coke, Pepsi has chosen to reallocate its energy and resources into a three year, over one billion-dollar strategy that aims to regain not only the North American consumer’s taste for Pepsi but also to claim their thirst for carbonated beverages in general, as the entire category appears to be going flatter... PepsiCo Chairman-CEO Indra Nooyi describes this Pepsi challenge as a comprehensive packaging, merchandising and marketing revamp of “every aspect of the brand proposition for our key [carbonated-soft-drink] brands: how they look, how they’re packaged, how they will be merchandised on the shelves and how they connect with customers.”

## **The Driver behind Corporate Survival**

As presented in the prior section, preparation for the looming economic recession that America faces is resulting in a diverse range of corporate agendas – from making standard cutbacks to forging ahead almost more stubbornly than before to surprisingly staging an illogical sell to launching a mega merchandising and marketing campaign. Despite the fact that these four processes are quite different, something similar is shared among each business.

Each of these four companies has intelligently assessed its current position and appropriately planned its course of action but the real driver to their moving forward is more than a natural talent for strategic survival. It is the something that EntreQuest terms “mindset” – the underlying premise and fierce will to succeed as a business. This mindset is maintained NOT despite the bad economy but in the spirit of good opportunities – the sales that they know still exist and the goals that they firmly believe they can achieve.

Over the next few months, the economy is going to be a brunt of more blame than both the Democrats and Republicans. Most of the parents living paycheck to paycheck, most of the individuals having to re-budget their spending money, and most of the businesses struggling to make payroll are going to be citing the economy as the number one threat and the vilest villain. What they are all really doing however, is pointing a million fingers at an excuse.

A few parents, a few individuals, and a few businesses are not going to see doors

shutting around them because they will be too busy looking for openings – ways to increase that paycheck, better allocate that spending money, and win more monthly revenue. Simply put, these particular parties do not wait for demand to come when the times get easier. Instead, they create demand now, even as the times are guaranteed to get more difficult.

## **How Businesses Are Creating Demand Now**

“U.S. consumer confidence fell to an all-time low in October” reported The Wall Street Journal on October 28, 2008.

Now for sales-driven businesses like YRC Worldwide, omakase sushi restaurants, Beam Global Spirits & Wine, and PepsiCo, this news is only a part of their strategy to create demand.

YRC might be slowing down their growth with cutbacks but they are not slowing down their trucks, as they reorganize to literally deliver the best service to nationwide businesses requiring the transportation of goods. Omakase sushi restaurants might have to pay higher prices for le premium poisson but they are investing into making the act of eating sushi as fanatically exclusive as it has ever been in America. Beam Global Spirits & Wine is straying from the norm and turning to an audience that everyone else is ignoring out of financial fear by introducing a new high-priced product. Then there’s PepsiCo making the decision to spend over a billion dollars in a department that won’t be seeing much activity elsewhere – marketing and merchandising.

What all four of these companies are doing is creating demand. Since people do NOT stop spending money, consumers are going to be looking for the best deal. And “the best deal” equates to “the most valuable deal.” Thus, the trick to creating demand for a company is creating value for the consumer.

EntreQuest defines “creating value” as answering the question: “What’s in it for them?” What is in it for prospective customers of YRC Worldwide, omakase sushi restaurants, Beam Global Spirits & Wine, and PepsiCo?

Absolute reliability in trucking delivery.

Authentic experience in Japanese dining.

Luxurious taste in alcoholic enjoyment.

Best brand in beverage choice.

These four statements scream “VALUE” to a specially targeted market. Whether this target’s budgets are tighter than the economy or not, overall value speaks louder than price tags. These consumers will not choose to compromise their purchasing power of YRC delivery, whatever rolls the omakase sushi chef wants to serve, \$175 bottles of Canadian Club, and Pepsi products.

One of the more memorable lines in the EntreQuest sales training manual is as follows: “If price is an issue, than the value hasn’t been made clear.” The beauty of selling is that no matter what state the economy is in, once you define how your service or product is valuable to your prospective customer and position this value in excess of the quoted investment,

your business becomes compelling enough that consumers HAVE to enroll in it.

## **What Your Company Can Do to Survive and Thrive**

The four companies discussed in this white paper have all arrived at the core of what they are about but more importantly, they have identified exactly what they need to do to survive. They have pinpointed the value that their products and services offer. Now, they are going to seek success at a time when others are choosing to fear failure.

There is no reason, or excuse, why your business cannot forge ahead in the same manner. Answering a few simple questions can propel you down the path to prosperity. It is a matter of going back to the basics:

Where will your company focus?  
What is your company willing to sacrifice?  
Who will your company empower to lead and operate?  
How will you leverage what resources you currently have?  
Why should you maintain a winning mindset during a time filled with failure?

When is it time to toughen up your company for a tough economy? The only answer is NOW.

Even as authoring experts on motivating businesses to succeed through mindset and value, EntreQuest too had to undergo the same strategic planning and make the same sacrifices as other companies in this current economic state. We are experiencing the proof of our founding principles while learning new lessons

during this ongoing process of surging our own sales during a recession. Our continuing education will be reflected in our work with the companies we consult, the salespeople we train, and the new hires we place.

What will absolutely remain the same at EntreQuest however, is our team's philosophy throughout this time. We will not be approaching a "bad economy" but rather exploring a "good opportunity."

Joe Mechliniski, President of EntreQuest, summed up the attitude decision we must make as we prepare for the upcoming season: "If this is the winter of the economy, are we going to freeze to death or go for a sleigh ride?"

Since people are NOT going to stop spending money, businesses do NOT have to stop making it. Thus, the EntreQuest team chose the sleigh ride and we encourage your company to do the same.



### **About EntreQuest, Inc.**

EntreQuest is a sales recruiting and consulting company that helps organizations succeed by enhancing their sales staff and growing their revenue base. Over the years, EntreQuest has worked with thousands of salespeople and hundreds of companies across the country.

For more information, please visit [www.entrequest.com](http://www.entrequest.com) or contact Mack McGee through email at [mmcgee@entrequest.com](mailto:mmcgee@entrequest.com) or via phone at 410.276.1186, ext. 1181.

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