



# Winning in Tough Times

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**F**or many managers, especially those in their mid-thirties and younger, we are in uncharted economic territory. Demand is down sharply; inventories are harder to manage and forecast; cash flow is tight; budgets and forecasts are all but useless; the future is as opaque as it has been in over a decade. Positioning your company to win in an environment that dictates a keen focus on short-term objectives is a difficult balance. But the good news is that your competition is facing all of the same issues you are. Capitalize on the opportunity to stay focused on what drives customer satisfaction while your competition is distracted by survival. A focus on unwavering customer support may be the most important commitment you and your company make in the foreseeable future.

As a result of the current economic climate, many managers are forced to take cost cutting actions that they never imagined would be necessary, and which they may be ill equipped to manage effectively. Certainly cutting overhead is the right thing to do – you must keep your break-even point below your sales number – but where you cut is as important as how much. Many managers, faced with the emotionally challenging task of choosing who stays, and who goes, take the objective route of focusing on things like tenure, or spreading the cuts evenly across departments. This is an appealing approach for those who have queasy stomachs, but it puts you and your company at risk of cutting your most critical function – customer support – to a level that damages those precious customer relationships at a time when you need them to be their strongest.

In times like these, product performance, availability and price are no more or less important than they are when times are good. But now, more than ever, trust and ease of doing business can mean the difference between customer loyalty and customer defection. Most companies have focused their procurement departments on vendor rationalization and strategic sourcing over the last five years. Whether you are a preferred vendor, or a secondary source, you want to fall on the favorable side of today's purchase decision.

Your share of your current customers' business is more vulnerable in these difficult times as your competitors are all scrapping to move bloated inventories and cover fixed overhead. But how you play the game can be the deciding factor of who actually wins the trust and loyalty of customers today, and can position you for big gains in the future.

A down cycle makes for a great time to differentiate your company's capabilities from your competition, and to drive your share of your current customers' business higher. Best in class customer service capabilities can and do serve as a source of competitive advantage – positioning companies to outpace the competition when the cycle turns back in the right direction. Here are some things to consider as you address customer service in a down cycle:

- 1 Keep Morale Up:** Attitude can make the difference. It is easy when times are tough for people to get down. As a leader, it is imperative that you keep everyone in your organization focused on the positive, and that the attitude that is conveyed to the customer is energetic and enthusiastic. This is especially critical for those functions that touch the customer experience (sales, customer service, delivery, etc.).
- 2 Show Empathy for Customers:** Customers' businesses are in no better shape than your company is. Sales are down everywhere, and everyone has problems. It may seem obvious, but no one wants to feel pressure to buy what you make when they can't sell what they make. Train the people who touch the customer to be more attentive to your customers' emotional need to express themselves, and to avoid sales tactics that can be perceived as pushy. Better yet, focus the attention on helping them solve problems, and the benefits can be staggering.
- 3 Foster a Culture of Customer Focus:** Support, or instill (if it does not already exist), a culture in which customer satisfaction is the most important thing your company can deliver. Nothing happens until someone makes a sale, and repeat sales don't get made to disappointed customers. Buying power is highest when suppliers are fighting to fill capacity and cover overhead. Give your customers a reason to choose you over your competition by ensuring that no matter with whom in your company a customer has interaction; it will be an interaction which elicits favorable emotions. Invest in training, reward behavior



and activity that results in customer satisfaction, and most importantly, show your commitment to customers through your own behavior and activities.

**4 Remove the Barriers to Customer Satisfaction:** Evaluate the degree to which your current internal processes serve as barriers to customer satisfaction, or drivers of customer delight. In many companies, simply streamlining the order entry and invoicing processes, or simplifying the return policy, can have significant impact on the degree to which doing business with your firm is “easy” and enjoyable. Removing the elements of the process that make these processes cumbersome is as important as delivering a high quality product, on time and at the right price.

**5 Communicate, Communicate, and Communicate again:** In troubled times, customers need reassurance. Their customers are putting more pressure on them to perform across all of the critical performance dimensions (lead time, on-time, quality, accuracy), and as such, keeping them comfortable that they can count on you to deliver for them is very important. Proactive communication, in the form that they prefer, is critical. Even when the news is bad, this practice can provide your customers with the ability to more effectively manage their processes, and in turn can help you develop a level of trust that is a true barrier to entry for competitors.

**6 Put the Power Where it Belongs:** Make sure that the people who touch the customer experience have all of knowledge, tools, authority and information that they need to effectively serve each and every customer in a timely and efficient manner. Nothing is more frustrating than dealing with a customer service rep that spends more time figuring out if you are a customer, or if they have enough authority to address your needs, than they do solving your problem. Continue to provide your staff with the technical training that they need and the empowerment that is required for them to be a resource to your customers.

**7 Measure What Matters:** It is an old saying, but it is true – you get what you measure (not to mention that you can’t manage what you don’t).

By knowing what drives customer satisfaction, you can monitor your organization’s ability to deliver on those criteria. Organizations that are truly customer focused

have a means of measuring the drivers of satisfaction. They then measure satisfaction levels. And they respond to that information in a meaningful way.

In a downturn, an increased focus on customer satisfaction may be the difference between winning and losing. Times are tough; the outlook is unclear; and your competitors are living in the same environment that you are. Seize the opportunity to focus on your customers’ experience while your competition is focused on living until tomorrow, and you can develop a tangible competitive advantage. While great customer service can’t guarantee that customers will buy, it can help to ensure that when they do buy, they buy from you and not your competitors. Get your organization focused on what matters to your customers, and position your firm to outpace the competition when the cycle turns.

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