

TOP TIPS FOR TRADING THROUGH TURBULENT TIMES

1. Strange Bedfellows... Collaboration Works.

- In probably the most competitive arena in the world today, no national airline carrier makes money from their short-haul routes in Europe. The budget airlines are so aggressive that it would be commercial suicide to try and compete with them. All the national carriers operating in Europe make their profits from long haul flights.

- They have formed networks like One World and Star Alliance where they will share planes, ticketing systems, landing slots, catering and absolutely anything else that enables them to stay alive in the competitive bloodbath that Europe has become. Whilst collaborating in Europe, they compete like hell for the long haul custom.

So who are you collaborating with today? Have you considered sleeping with the enemy? Maybe it's time that you should.

2. Two Lemons.

Cape Cod has long been synonymous with the most delicious lobster but even the thriving fish markets amongst the holiday homes of the well-to-do have been hit by the economic downturn.

All the lobsters were still on display on my last trip there in September but very few were being sold.

Except for one thriving stall.

The owner had crafted a hand-written menu on how to prepare "lobster in lemon" and left a basket of lemons next to his exquisite lobsters with a simple sign saying "buy a lobster and take a menu and as many lemons for free".

When I asked him how sales were the answer was incredible. He was selling more than ever before and each time customers would take a menu and just two lemons.

What's your "Value Add Proposition"?

- Chrysler Dodge got a recent promotion all wrong with "buy one get one free". Their cars have been devalued forever.

- Think instead of a deal run by Hyundai – "get your company cars here and should you be made redundant we will give you your money back free". No reduction in price yet what followed was a dramatic rise in sales.

What can you give away that's relatively low cost to you but high value to your customer?

3. Become obsessed with your customers.

- Far too many companies only call you when you miss a payment. Last week British Gas was found guilty of harassing a customer for payment.

- Google use ALL customer information positively.
- Tesco use ALL customer information positively.

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4. What do you stand for? Traditionally, strategy informed the brand. Now the brand informs the strategy.

- Standard Chartered Bank sponsored a campaign run in the Sunday Times Magazine to get every reader to donate £1 to a charity helping children with cataracts. £1.5 million was raised by the readership and Standard Chartered bank doubled that figure and added a further £3 million. The next day their recruitment website went down after a record number of student applications were received. Authenticity counts.

- Think Apple and its approach to design, marketing and technology. It is one of the few brands that can sit in both the “premium” and “mass” categories. It makes technology sexy; the actual product is rarely discussed.

Stop trying to be the same as your competition. What makes you unique, special and different?

- Break out from the pack. How did Apple ever think of producing iTunes and the iPod? This courage enabled them to charge more for all their products even when the technology is inferior.

It's simple, if you're different you can charge more.

5. Take a closer look - have you recalibrated your business yet?

- Think Mont Blanc. They moved from being the world's greatest pen maker to a luxury brand.

- Think Swatch. They went from having obsolete analogue technology to becoming a disposable fashion accessory.

Dare to be different; it pays in the long term.

6. Don't shut up shop.

- Keep thinking big but acting small.
- Keep taking risks but be a little more calculating.

All the historical mega-fortunes were made during a recession.

7. Invest in the front-line and drive efficiencies in the back office.

- Think Asda. Time and again their strong corporate culture and identity makes them one of the best employers in the UK to work for, despite being “just” a supermarket. A first class sales-force should never be considered a cost but an investment.

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8. **Cash is king.**

- Be rigorous with your credit control.
- Constantly check and reduce your inventory.
- Think innovatively of new sources of cash – you may have surplus assets to sell. Marks and Spencer sold off its Head Office very early but Woolworths never got round to selling off any of its portfolio.
- Have some “progressive” conversations/negotiations with your strategic suppliers.
- Discuss your “long term commitment versus volume discount” deals.

9. **The four most important words in any business - “What do you think?”**

- Asda ask their stores EVERY week what they could be doing better. Some companies call it an “Employee Opinion Survey.” Asda simply call it “we’re listening.”
- Google only ask their staff to work four days a week as the fifth day is a thinking day. They would have us believe 80% of the corporation’s innovation comes from that fifth day.

10. **Heed the increasingly discerning customer. There is a new loyalty.**

Many customers are now asking the following:

- Do you really care about me?
- Do you really know me?

Spar is being attacked on all fronts by Tesco Express. They believe their chief weapon is familiarity because they think Tesco provide efficiency not familiarity.

Specsavers provide servers not technicians to make their customer service better than a traditional optician.

On the other hand BAA and BA appear forever managing their own requirements and not their customers’.

11. **People, People, People.**

Remember which companies receive one million job applications and why; P&G (Procter and Gamble) and Google. They invest in their workforce and base their working practises around them.

When the going gets tough, don’t penalise your people

Your people will treat the customer the way you treat them.

12. **Always go back to the three fundamental ways of getting out of a recession – sell, sell and sell some more.**

Know your customer better than your competition. Consumer behaviour can change radically during a recession.