



## #17 – Execution Tips That Might Help

The problem with recessions is that you don't have time to be patient. But patience and belief in your execution is exactly what you need. I've listed some stuff below that does work and for many may act as a validation that you are doing the right things:

### Business Models:

1. Revisit your cost breakdown between variable and fixed and drop that breakeven point as low as possible. I've created a [helpful look-up table](#) (see below) that shows how far your sales can drop before you start losing money.
2. Look at all the delivery models for getting your product to market e.g. the academic publisher [Springer](#) announced that over the next few years greater than 50% of their book revenue will come from e-books. They see great growth from e-books because of the way scientific books are consumed.
3. Understand the stories that generate money. Summarize the data by product families, by region, by sales team. Seek deep granular reasons for sales traction and dig deep with existing customer relationships to understand failures.
4. Play with all possible cost scenarios to maximize the margins of best selling products.

### Sales growth:

1. Go to the "coal face" and ask your sales team to sell to you in a role play. Do you hear compelling business results that will be achieved? Are they articulating the special ingredients that your company executes so well?
2. Examine the diagnostic questions your sales teams are weaving into their rich conversations. Do they sound insightful and focused on the improved performance of the prospect?
3. Does your sales commission reconcile with your business objectives? If it solely based on POs, given the difficulty of this market, you will build a demotivated sales force with nowhere to go. Consider an incentive to get the CEO appointments with the key influencers in the prospect company. In this market it's imperative to spend face time with the **correct** people to clarify priorities. E.g. in a recent [E&Y survey](#) whilst large banks are executing swingeing cuts in IT and Supply Chain Management, they are investing heavily in Legal and Audit departments to control risk.
4. Ensure your sales teams have adjusted their "cookbooks" (metrics that lead to a salesman going to the bank!) to reflect the fiscally tight marketplace. Hint, it may take dramatically new and improved tactics.

### Marketing:

1. Simplify your messaging to articulate instant gratification.
2. Master social media for your business.
3. Stop writing long winded parochial blogs > 600 words.
4. Write in plain English, describing the business results being achieved for clients today.
5. Measure everything and work closely with sales teams to maximize their opportunities.
6. Get on site to hear the vocabulary of your clients. Tailor everything you can to make the collateral feel personal to their issues.

### Costs:

1. Link every single cost to sales and study the strength of the relationship. Eliminate or scale down all costs starting with those with little impact on short term (12 months) sales.
2. Revisit the mix of fixed and bonus elements of every employee's package, starting with the CEO.
3. In a low sales growth environment, brutal decisions are needed on cost priorities. Be smart about achieving your goals by deploying free/low cost software. This is a time to substitute over priced, average suppliers with hungry, attentive, efficient service providers.

FIGURES IN YELLOW REPRESENT ALLOWABLE % REDUCTION IN SALES TO STILL BREAKEVEN									
	GROSS MARGIN								
NET MARGIN	90%	85%	80%	75%	70%	65%	60%	55%	50%
5.0%	-5.56	-5.88	-6.25	-6.67	-7.14	-7.69	-8.33	-9.09	-10.00
7.5%	-8.33	-8.82	-9.38	-10.00	-10.71	-11.54	-12.50	-13.64	-15.00
10.0%	-11.11	-11.76	-12.50	-13.33	-14.29	-15.38	-16.67	-18.18	-20.00
12.5%	-13.89	-14.71	-15.63	-16.67	-17.86	-19.23	-20.83	-22.73	-25.00
15.0%	-16.67	-17.65	-18.75	-20.00	-21.43	-23.08	-25.00	-27.27	-30.00
17.5%	-19.44	-20.59	-21.88	-23.33	-25.00	-26.92	-29.17	-31.82	-35.00
20.0%	-22.22	-23.53	-25.00	-26.67	-28.57	-30.77	-33.33	-36.36	-40.00
22.5%	-25.00	-26.47	-28.13	-30.00	-32.14	-34.62	-37.50	-40.91	-45.00
25.0%	-27.78	-29.41	-31.25	-33.33	-35.71	-38.46	-41.67	-45.45	-50.00
27.5%	-30.56	-32.35	-34.38	-36.67	-39.29	-42.31	-45.83	-50.00	-55.00
30.0%	-33.33	-35.29	-37.50	-40.00	-42.86	-46.15	-50.00	-54.55	-60.00