

HOW TO **SURVIVE** DURING **TOUGH ECONOMIC TIMES**

By Bob Phibbs

A friend of mine is a teacher at a high school in Los Angeles. Her principal announced that they had the largest graduating class ever in June with 652. It was a big deal because this was the high school's 50th anniversary, so press releases were issued and everyone felt great.



The following week she found out that 120 of those 652 didn't actually graduate, and they didn't pass their General Educational Development (GED); they were able to get something that essentially said they went to school during that time.

The thinking is they didn't want those 120 students to miss out on all the festivities.

My friend was and still is incredulous. This is a continuation of what I call the "new sports."

When I grew up in the '60s, you either won or lost a game. Simple. Now there are no winners or losers—"everyone's a winner." It's what my buddy Nathan and I compared to "Trophy Day" at a ballpark. Everyone who enters gets a trophy. Not because you deserve it, did anything special or competed—you showed up—bravo!

It's not your fault; it's someone else's. There are no consequences. There's no problem that's your fault.

The high school administrators say parents pressure them and say, "my kids did the work, you have to pass them." Administrators give in because it is easier. But ignoring reality has a price: stupid kids who can't compete in the world.

And as for small businesses, we're seeing a lot of stories about them being mad no one is rescuing them. And I understand their pain. It might be yours too.

But the only way for America to lead the way on this is to do a better job with the people who come in your doors, call on your phone or click on your Web site.

You can't use the economy as the reason you aren't doing better. It would be like a quarterback missing a pass and telling the coach, "It's the weather's fault."

No, it still would be the quarterback who missed the pass. The skipped practices, the distractions, everything that influenced him taking his eyes off the ball contributed, but it was up to the quarterback to make the pass. Make sense?

Nothing has changed in the past 24 months about how you have to do your business. What has changed is we have been beaten back into a cave with fear; everything from the price of oil and credit to corn, wheat and milk is "rocketing" to new "all-time" levels. We seem to feed on the rotten idea that something even worse is right around the corner. And we anxiously watch Wall Street to see if it can right itself.

That's not what made America great and it's not what we need to turn the tide on a struggling national economy. Just because economists see the impact of recent events on the broad economy does not mean all businesses will be affected equally. Even if retail sales were down anywhere from two to 15 percent in September, that still is a lot of people shopping. Are you getting your share?

If not, it is time for you to fight for what you do. But you're going to have to change. You can't blame poor management on the economy.

If you still feel you can just "take care of your regulars," I have news for you. You're going to be seeing less of them as people prioritize their

spending. If you still feel you don't have to "sell" your baked goods, whole bean coffee or machines, I have news for you. That stuff is going to sit and get cobwebs. If you think you can answer the phone in 10 rings, if you still feel you can answer e-mail weekly from your Web site (if at all,) if you still feel you can compete having slacker employees, I've got news for you. You can't.

IF NOT NOW, WHEN WILL YOU CHANGE?

The market won't reward you any longer because the pool of easy money has drained. There are more people chasing fewer customers.

One thing that matters most in this economy is you have to stand out head and shoulders above anybody else. Tim Gunn, the creative director of Liz Claiborne, says all their products this fall have to be irresistible. I say whatever business you have; it has to be remarkable—in a good way. A customer has to be willing to go out of their way to tell somebody about how great a job you did. In our case, that also means they have to be willing to drive past your coffee competitor to visit you.

It's not based on price, it's what you can control and if you are remarkable in this climate as your competitors are dropping. If you consistently keep your eyes on the ball and concentrate only on the customer in front of you,

not the rest of the world, you're going to be successful. You know why? Because remarkable is the essence of word-of-mouth marketing and in some ways, the hardest to get.

In any economy, there's always opportunity and risk. In 1941, Truman nationalized the railroads but the French came up with the bikini; so was that a good time or not?

Only if your eyes are on your customers are you going to be able to survive and thrive. At the end of my talk last month at the Economic Summit in Richmond, Va., the manager of Jason's Deli came up to me and told me that their catering business—you know, one of the most disposable of incomes—was up 19.4 percent in September! His motto, "We only sell service—the food is a by-product of what we do—we sell!"

Great example and I know others who are increasing sales in this "punishing economy." If you're not, look in the mirror—what do you need to do to catch the pass?

Are you willing to change? If not now, when?

Best-selling author and speaker Bob Phibbs has helped thousands of independent businesses compete by using his sales approach and not discounting. He has worked with hundreds of coffeehouses around the United States and keynoted the Specialty Coffee Association of America's Boston conference, and he's the author of You Can Compete: Double Sales Without Discounting. Download more free tips from Phibbs at <http://www.retaildoc.com/media/free-articles.htm>.

