Sage MAS 90/200/500 | White Paper

No Time to Retreat:

Seizing Opportunity in an Economic Downturn

Accession Technology
(888) 808-1117
sales@accessiontechnology.com
http://www.accessiontechnology.com/

sage

Increase your marketing presence

Bring your marketing efforts to a halt—one of the most common reactions in an economic downturn—and suddenly you're off the radar and no longer top-of-mind. Worse, rumors start circulating that you're sinking, when all you did was skip a trade show appearance to reduce costs. Few brands can survive without advertising and product promotion. History has shown that companies who become low-key during a downturn are in a far worse position in terms of profitability, market share, and competitive presence when an upturn becomes the new reality.

Contrary to what other companies typically do, evaluate the possibility of launching new marketing campaigns. Take advantage of fewer competitors in the marketplace. It's a great opportunity to increase brand awareness and create additional demand for your products or services. In times of economic turmoil, brand loyalty can shift quickly. But don't simply continue with the same old marketing techniques. Explore different and unique opportunities to showcase your brand. Guerrilla marketing, social networking, virtual trade shows—now is the time to shift gears and take a chance on more creative ways to get your message to prospects and customers. At the same time, you should also be able to negotiate more cost-effective rates for existing—or new—advertising and marketing vehicles.

By being bold and increasing your marketing activities during the downturn, you can stand a better chance of winning market share and overtaking less aggressive competitors.

Focus on your accounts receivable

This is the time to be even more strategic about when money comes in and goes out of the company. Be very clear about the gap that might occur between paying your suppliers and having your customers pay you. This is the time to really focus on the day-by-day flow of cash.

Sharpen up your cash collection policies and procedures. Get a clear picture of your collection cycle (revenue growth versus A/R %). Find out if certain customers are taking longer to pay by comparing collection patterns–year-over-year and month-over-month. Zero in on specific customers.

Take action immediately if payment cycles are becoming protracted. Harness automated solutions, such as credit card payments and electronic fund transfers, to help customers pay faster and more consistently. Harness technology solutions to link your CRM with the accounting side, and create tighter, more automated credit policies.

Before writing off customer debts (or sending them to collections), find creative and strategic way to settle the bill—negotiate payment schedules, share talent, share customer or lead databases, or accept in-kind ownership shares from a company.

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