

# **Recession Proof Your Business**

## **Brian Tracy Teleseminar Notes**

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Hello, this is Brian Tracy, and welcome to this program. Let's cut right to the chase. One of the great keys to success in business is to operate your business like a turnaround, as if you were on the verge of going broke every single day.

This attitude dramatically sharpens your perception, improves your decision making and increases your level of activity. It forces you to evaluate every expense and to focus with laser like intensity on generating sales, revenues and cash flow.

Millions of businesses have been through abrupt downturns, reversals, problems, difficulties and setbacks. It is estimated that, in running a business, you will have a crises every two or three months that can sink your business if you do not respond to it effectively. It can be a financial crisis, a customer crisis, a sales crisis, an overall business crisis, a personal crisis or even a health crisis. But you will have crises over and over again.

The only question is: "How effectively do you respond to the inevitable crisis of business life?"

The most important discovery about successful people is that they take **continuous action** in the direction of their goals. They practice what is called in military terms the "continuous offensive." They are always trying different things, and if they don't work, they try something else. They are never satisfied, and they are never complacent. They are continually moving forward to generate sales, revenues and cash flow.

## Three Enemies to Conquer

Perhaps the three biggest enemies of success in business and in life are the comfort zone, learned helplessness, and the path of least resistance.

With the **comfort zone**, people get into the habit of thinking and doing the same things in the same way, even if they aren't working anymore. People resist moving out of their comfort zones, but no progress is possible if you keep doing the same things in the same way.

With **learned helplessness**, people feel like victims, as if they are overwhelmed by the situation, and there is nothing that they can do. They start to use the words, "I can't" over and over, which is a way of saying that they don't see any way forward. But there is always a way forward.

The third enemy is **the path of least resistance**. This is the natural tendency of people to follow the fastest and easiest way to get the things they want in the short term, with little concern about the long term implications of their behaviors.

The fact is that almost all success requires self-discipline, the ability to make yourself do the things that are hard and important rather than the tendency to slip into doing the things that are fun and easy.

## Cash Flow Is King

The life blood of a business is cash flow. All other activities else must be relegated to secondary importance in the quest for cash flow. There is only one real source of cash flow and that is customers and sales. Unfortunately, in most businesses, most of the people spend

most of their time doing things that have little to do with generating customers, and the revenues and cash flow that they represent.

Goethe said, “The things that matter most must never be at the mercy of the things that matter least.”

Steven Covey said, “The main thing is to make the main thing the main thing.”

## **The Purpose of a Business**

What is the purpose of a business? It is not to make a profit. The real purpose of a business is to **create and keep a customer**. Profits are the results of creating and keeping enough customers in a cost effective way. The key people in the business must be obsessed with creating customers, all day long, in every way possible.

What is the key measure of business success? It is “**customer satisfaction**.” Your job in business is to create customers, and then to satisfy them completely so that they are happy that they decided to do business with you.

What is the measure of customer satisfaction? The true measure of customer satisfaction is **repeat business**. This means that your customers are so happy with you that they buy again and recommend you to their friends.

What is the ultimate question that you must ask and answer continually in your business? It is: “**Based on your experience with us, would you recommend us to others, on a scale of one to ten?**”

You will find that 85% of your repeat and referral business will come from people who are so happy with your products and services that

they eagerly tell other people about you, and encourage other people to patronize your business. How well are you doing on this score?

Even more important, how could you increase your score? What could you do, starting today, to take such good care of your customers that they eagerly buy from you again, and recommend you to others? Your answer to this question can change the entire direction of your business, especially in a tough economy where there are fewer customers and tougher competition.

### **Crunch Time: The True Test of Leadership**

Your ability to survive and thrive in the face of continual problems and difficulties as a leader is the key to your success in business, and in life.

There are seven steps that you can take to deal with any setback or reversal:

- 1) **Stay calm:** Take a deep breath; refuse to become excited, fearful or anxious.
- 2) **Get the facts:** Don't assume anything, or jump to conclusions. Instead, ask questions, listen, and withhold judgment until you understand all the details.
- 3) **Take responsibility:** Refuse to complain, criticize or blame others. Instead, say "I am responsible!" over and over again, even if it is just taking responsibility for the way you respond to what happens.

- 4) **Remain confident:** Remind yourself that you have the intelligence and ability to deal with any problem. Nature never sends you a problem that is too big for you to deal with.
- 5) **Unleash your creativity:** Whatever is happening, treat it as a problem that has a logical solution, begin immediately to seek new, better, cheaper ways to solve the problem. Most of all be “solution-oriented” at all times.
- 6) **Concentrate on priorities:** Make the main thing the main thing. Keep asking, “What is the most valuable use of my time, right now?”

Your ability to set priorities and then to dedicate yourself to working on your most important task is the key to your achieving the highest levels of personal effectiveness.

- 7) **Counter attack:** Think about what is happening, make a decision and then take action. Practice the “continuous offensive.”

Remember, continuous action in the direction of clearly specified goals is the only cure for worry and stress. As you become intensely action-oriented, you will feel a tremendous sense of personal power and control over your life and environment.

## **Profit from the Core**

Every business starts with a core product or service and expands from there into other areas.

In times of market contraction, you have to get back to your core business.

Analyze the core elements of your business regularly.

- 1) What are your **core competencies**? What is your company especially good at? What are you personally very good at? What additional competencies will you need to survive and thrive in the future?
- 2) What are your **core products/services**? What are the products that you sell the most of, the easiest, and which are the most profitable for you?
- 3) Who are your **core customers**? Apply the 80/20 Rule. Who are your most profitable customers? Who are the ones that are the easiest to sell to and to service? The ones that you would hate to lose more than any other of your customers?
- 4) What are your **core marketing methods**? What are the things that you do that attract the most qualified prospects in terms of advertising and promotion?
- 5) What are your **core selling methods**? What are the arguments and persuasive methods, techniques and statements that convert the greatest number of prospects to customers? What is your unique selling proposition, the one single factor about your product or service that causes people to buy it rather than to buy it from your competitors?
- 6) Who are your **core people**? Who are the most valuable people in your business, the ones that you would hate most to lose? Who are the people who contribute the greatest value and who are essential to the success of your enterprise?

- 7) What are your **core strengths** as a business? What is it that customers like the most about what you do for them? How could you capitalize on these strengths and make them your own personal “point of the spear” in generating sales, revenues and cash flow?

Your ability to focus and concentrate on those areas where real results are possible is the key to your success.

### **Analyze the Seven P's of the Marketing Mix**

In times of rapid change, increased competition and shrinking markets, you must be absolutely clear about the seven key areas.

According to Dunn and Bradstreet, the number one reason for business success is high sales; the number one reason for business failure is low sales. All else is commentary.

A change in any one of the Seven P's of the marketing mix can have an enormous impact on your sales, revenues and cash flow.

- 1) **Product/Service:** Exactly what do you sell?
  - a) Is this the right product or service for this market at this time?
  - b) Are you recognized as a leader in your industry?
  - c) What other products or services could you offer?
- 2) **Price:** is your price competitive? Attractive? Profitable?
  - a) Should you change your pricing in any way?

- b) Should you lower it, increase it, or keep it the same?
  - c) Analyze your competitors, their prices and their results.
- 3) **Place:** Where is your product/service available?
- a) Should you sell your product/service in different places?
  - b) Should you sell your product/service in different ways?
- 4) **Promotion:** How do you make the actual sale and collect the money?
- a) Are your marketing methods effective? Are you attracting a sufficient number of prospects?
  - b) Are your sales methods effective? Do you have well-trained, competent sales people who can convert these prospects into customers?
- 5) **Packaging:** Do your products/services look attractive on the outside?
- a) Is every visual aspect of your business appealing to your customers?
  - b) Is everyone who deals with customers instilling credibility and confidence?
- 6) **Positioning:** How are you perceived in the marketplace?
- a) How do people think about you and talk about you to others when you are not there?



- b) What words do they use to describe you? What words should they use? What words could they use if you were to change your treatment of customers in some way?

7) **People:** Customers are 90% or more emotional.

- a) Is every customer contact warm and friendly?
- b) Does everyone who communicates with your customers in some way increase credibility and confidence?

Almost every company can improve both sales and profitability by changing one of these elements.

### **Super-Charge Your Sales in Any Market**

There is a simple, guaranteed way to increase or double your sales in any market.

1. Your sales/income is determined by the number of **minutes** you spend face-to-face with customers:

Every salesperson wakes up unemployed each morning, and remains unemployed until he/she gets face-to-face with a qualified prospect.

2. The average salesperson works about **90 minutes per day** (1 ½ hours), according to Columbia University, and Sales and Marketing Management Magazine, going back to 1928.

3. Fully **50% of working time** is wasted in non-selling activities:

Key question: "Is what I'm doing right now leading to a sale?"

4. **The Law of Three:** There are only three activities that account for 90% of your sales and 90% of your income:

They are Prospecting, Presenting and Closing (1-10?)

5. **80/20 Rule:** Do fewer things, but more valuable things.

Do these more valuable things - prospecting, presenting and closing - more often, and get better at them.

6. **Stop-Watch Technique:** Count the number of minutes that you spend each day in selling activities.

a. Resolve to double the number of minutes that you spend face-to-face with customers each day.

b. Spend 80% of your time, prospecting, presenting and closing.

7. **Read, listen, learn** and get better at the Big Three, and do them all day long.

Rule: Double your minutes with prospects and customers each day and you will double and even triple your sales and income, in any market.

## **Become Brilliant on the Basics**

Most people have not been thoroughly trained on the basics of selling.

Your weakest key skill sets the height of your income.

All sales skills are learnable

You could be only one skill away from doubling your income

Give yourself a personal score of 1-10 in each of the key result areas of selling:

1. **Prospecting:** Finding people who have a problem that is unsolved, a need that is unsatisfied, a goal that is not achieved, or a pain that is not removed.
2. **Establishing rapport and trust with prospects:** Asking and listening so well that they will talk to you, open up to you, and tell you their true problems, wants, needs and desires.
3. **Identifying needs accurately:** Asking good questions, logically organized so that both you and the customer can determine that a need exists for what you are selling.
4. **Presenting persuasively:** You have a logical, organized sales presentation that overwhelmingly persuades the customer that your product or service is the exact right choice for him or her at this time.
5. **Answering objections clearly:** You have thought through each of the objections that you are likely to get and developed a logical answer that eliminates the objection entirely.
6. **Closing the sale:** You have developed a series of ways of professionally asking the customer to take action at the end of your sales presentation.

7. **Getting re-sales and referrals:** You have a systematic process to achieve high levels of customer satisfaction so that they give you a golden chain of referrals to other customers who can and will buy within a reasonable time.

Your weakest key skill of the seven skills mentioned above determines your income. Improving your skill level in one area can be enough in itself to double your income in the weeks ahead.

Question: If you could wave a magic wand and could be absolutely excellent in any one area, which one skill would help you the most to double your income?

### **Practice Zero Based Thinking in Every Area**

The most important quality for success in turbulent times is flexibility – often requiring that you change in every area of your life and business.

Zero Based Thinking: Conduct a KWINK analysis on every part of your business by asking, “Knowing what I now know, is there anything that I am doing today that I would not get into again today if I had to do it over?”

How do you tell if you have a zero based thinking situation? Stress!

What percentage of the time will you be wrong? 70%!

There are several areas where you must conduct this KWINK analysis on a regular basis.

1. **People:** Is there anyone in your personal or business life who, knowing what you now know, you would not get involved with again today?
2. **Products:** Are there any products that you are offering to your market that, knowing what you now know, you wouldn't bring to the market again today?
3. **Services:** Are there any services that you are offering to your customers that, knowing what you now know, you would not begin offering again today?
4. **Expenses:** Is there any place in your business or personal life where you are spending money today that, knowing what you now know, you would not begin spending money in this area?
5. **Investments:** Are there any investments of time, money or emotion that, knowing what you now know, you would not invest in again.

There are only four ways to change your business and your personal life:

1. You can do **more of** some things. You should be doing more of the things from which you are getting the very best results.
2. You could do **less of** other things. You should be doing less of those things that are not giving you the results that you desire.
3. You could **start doing something completely new**. You could move out of your comfort zone, take a risk, and try something different.

4. You could **stop certain things altogether**. Using Zero Based Thinking, what activities in your life should you stop altogether so you can free up more time so you can do those things that can give you the very best results?

Make a decision! Take action today on your answers to these questions.

## **Think and Act Like a Genius**

What is the most important work that you do? Answer: Thinking! The reason that thinking is the most important thing you do is because it has the greatest potential consequences on your results and rewards. One good thought or idea can change your life and business in a positive way for months or even years. One poor thought, idea or decision, can sidetrack you or hold you back.

Here are seven ways to help you to use your mind more effectively to achieve your goals.

They all start with the letter R

1. **Re-thinking:** Be prepared to re-think everything that you are doing, to practice zero-based thinking, especially when you are experiencing resistance, stress or lack of results.
2. **Re-evaluating:** Keep asking yourself, what am I trying to do? How am I trying to do it? What are my assumptions? If my assumptions were wrong, what would I have to do differently? Could there be a better way?

3. **Re-organizing:** Be willing to continually reorganize your life, business and activities to be more effective and to achieve better results. Don't get stuck in a rut or a comfort zone.
4. **Re-structuring:** This requires that you apply the 80/20 rule. Be prepared to restructure your personal life to focus more of your time on those few things that you do that account for most of your results. Be prepared to move people, money and activities into those areas that are most profitable for you in the business, and even abandon the rest.
5. **Re-engineering:** This is the process of simplifying your work so that you are doing fewer things, but things of greater value.
  - a. Practice the **Law of Three**: What are the three things that you do in your work that account for 90% of the value of everything you do?
  - b. If you could only do **one thing**, all day long, what one activity contributes the most value?
  - c. What activities could you **delegate** to others, to free up your time for you to do the things that only you can do?
  - d. What are the activities that you could **outsource** to other individuals from other companies that could do it better and cheaper than you?
  - e. What are the activities you could **downsize** to free up more time and resources for doing the things that are more valuable?

- f. What are the activities that you could **eliminate** altogether with no great loss to yourself or your business?
6. **Re-inventing:** Imagine starting your business and your career over again today. Use the “walk across the street method,” and imagine that you were starting your business brand new today in new premises.
- a. What products and services would you want to bring to the market **immediately**?
  - b. What customers would you want to contact or work with **immediately**?
  - c. What **markets** would you focus your time and energy on?
  - d. What **people** would you want to bring with you to start your new business or career?
  - e. Most of all, what products, services or people would you want to **delete** from your life and work so that you have more time to do the things that make the greatest difference?
7. **Regaining control:** This is really the key to recession proofing your business. Be prepared to make good decisions, and take new actions.

Become intensely **action-oriented** in every area.



## **Summary:**

We are living in one of the most challenging and competitive economic times in all of human history, and definitely, in our lifetimes.

Your ability to respond effectively to the inevitable ups and downs of daily life will determine your success or failure more than anything else. The good news is that many of the best businesses and the greatest fortunes were started in the depths of the worst depressions, recessions, panics and crashes.

Your job is to join the fortunate few who use their minds and abilities to survive and thrive in any economy. As Nietzsche once said, “What doesn’t kill me makes me stronger.”

It is in times of difficulty and adversity that you will demonstrate to yourself, and to others, what you are really made of inside. This is perhaps one of the greatest opportunities you will ever have to become the very best person you could possibly be, and to ultimately achieve the very greatest success that is possible for you.