

Crunch Time!

Published in Professional Marketing

August / September 2008

A downturn sorts out the wheat from the chaff! It's not a nice thought, either for those affected or even the bystanders, but it's largely true.

A coherent argument can be made that a period of recession is a necessary part of the creation of a healthy market. Those that have a strong underlying business will survive and take advantage of the opportunities that such a climate inevitably throws up, while those who have lived with the illusion of a great business during bull market years, when making a profit is relatively easy, will be found out. This is, of course, a simplification of the position but it is clear that those firms with a strong strategy, a focus on client development and talent management, a determined leadership and an ability to make choices about which markets to be in and which to exit are in a strong position.

But how does this natural selection process affect marketing and business development professionals? More importantly is there the same clear line of sight between performance and job security as there is with the lawyer community. Both the legal press and the industry grapevine are replete with stories of firms 'taking positive action' as concern grows about the length and depth of the market slowdown. Of course, what positive action generally means is the cutting of budgets, the halting of any recruitment (at best) and a redundancy programme in many cases. Invariably it is the business support departments that bear the brunt of such headcount reductions.

The challenge for business development departments and their leaders in these circumstances is to do more with less but, more importantly, to maintain strategic direction. When Harvard professor Michael Porter said "strategy is about saying no to great ideas that don't fit", he probably didn't consider law firms as a likely audience for his thinking. But the need to resist ideas that blow a firm off course is ever present.

As the market hardens, what I fondly call the 'grass is greener' syndrome is rearing its head in the minds of leadership teams. 'There must be a better line of business out there, we just need to find it! Other markets can't be as competitive as the one we are in. Out with the old and in with the new!'

While the sword of Damocles may indeed be hanging over your head, panicky changes of direction seldom deliver results. With resources limited, the temptation to spread the net ever

further should be resisted. It is far better to focus on what you know; build a determination to unearth and max out current client and market opportunities. Clarity, courage and conviction will be the touchstones of the winners!

