



NAVIGATING MARKET UNCERTAINTY WITH CERTAINTY

Uncertainty is ever-present in the modern global economy. Even the most stable economic environments are characterized by dips and unknowns that could derail a business. Because market challenges are unavoidable, business owners must be prepared to handle them. To do so, they should develop a deep understanding of market risks, put their business goals first, and make decisions based on factors within their control.

This, of course, is easier said than done. Shrinking credit markets, pressure on profits and cash flow, and changing customer priorities present hurdles for a variety of firms.

To successfully navigate changing economic conditions, a few key priorities can help businesses stay on track to meet their goals:

- Focus on existing customers
- Manage revenue mix
- Balance operating costs
- Evaluate your value and equip your sales team
- Maintain/elevate the customer experience

FOCUS ON EXISTING CUSTOMERS

Companies report that it costs five times as much to acquire a new customer than it does to retain one. Yet, market uncertainty often leads businesses to pursue new customers instead of cultivating existing relationships. The urge to do so is understandable, but this is usually the wrong move.



During periods of volatility, it is more important than ever to protect and foster loyal clientele. Companies that do this are better positioned to maintain growth in the face of economic unsteadiness. In addition, these actions can often be achieved through simple, low-cost measures, including:

- Improving staff training for those who interact daily with customers
- Being responsive to customer concerns and inquiries
- Positioning the firm's brand as a thought leader and offering proactive ideas

MANAGE REVENUE MIX

When navigating a challenging climate, it is also important to optimize gross margins. That means determining the company's main revenue streams, revenue contribution, and the gross margin of each, to help decide how to efficiently save as much money as possible. Turbulent times require businesses to focus scarcer resources on high margin opportunities. Because new revenues are difficult to secure, focusing on the business' financial basics is the best way to maximize profits.

COMPANIES ARE OFTEN INCLINED
TO CUT CUSTOMER SERVICE
DURING DIFFICULT ECONOMIC
TIMES. BUT CUSTOMER SERVICE
SHOULD BE PRESERVED AT ALL
COSTS. MAINTAINING STRONG
CUSTOMER RELATIONSHIPS IS VITAL
TO LONG-TERM BUSINESS SUCCESS.

BALANCE OPERATING COSTS

Identifying and consistently deploying best practices helps businesses maximize profitability, reduce operational costs, and take advantage of economic volatility. Specifically, employees need to collaborate across the business to share innovative solutions to existing challenges. They should also explore creative options to shed operational inefficiencies that detract from profitability and effectiveness, as well as reexamine, create, and implement guiding policies to improve daily operations. These steps to standardize project management can help employees work more efficiently, while increasing profits across any business.

ELEVATE VALUE AND EQUIP THE SALES TEAM

A struggling economy tends to negatively impact customer spending and purchasing habits. Yet this also presents an opportunity for businesses to critically evaluate product value. In doing so, firms should ask themselves: Do clients view our products and services as mission critical to their business?

If yes, they should look for clever ways to promote their value and ensure they are capitalizing on it. If no, they should explore possibilities to enhance product management discipline to help uncover future opportunities.

To keep up with economic and market developments, businesses need to equip sales teams to swiftly address and respond to shifting customer needs.

Sales teams need to be able to clearly articulate the value of their business' services and strive to build trust in every customer conversation.

MAINTAIN AND ELEVATE THE CUSTOMER EXPERIENCE

Companies are often inclined to cut customer service during difficult economic times. But customer service should be preserved at all costs. Maintaining strong customer relationships is vital to long-term business success.

Customer service is the “perception” of services delivered, and it is this perception that steers customer decisions. A customer’s feelings and prior experiences both affect their future purchasing decisions. It is important to manage customer perceptions through:

- The quality of products or services
- Support before, during, and after a purchase
- Ease of interacting with the brand
- The community within and around the brand

While uncertainty is unavoidable in the modern global economy, businesses that prepare and respond wisely can find value and growth even in difficult market conditions.

Source

Invesp, “Customer Acquisition Vs. Retention Costs – Statistics And Trends.”

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