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Recession-Proof Business Strategies:

15 Winning Methods to Sell Any Product or Service in a Down Economy

by BOB BLY
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Recession-Proof Business Strategies

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Dedication

To the memory of Howard Shenson.

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Recession-Proof Business Strategies: 14 Winning Methods to Sell Any Product or Service in a Down Economy

by Bob Bly, Copywriter/Consultant

Afraid the recession is here to stay a bit longer? If so, you’re not alone. Many economists are predicting doom and gloom. And, even if the economy hasn’t hit rock bottom in your part of the country, it has slowed down—significantly—in many states.

Are we plunging into a down period for the U.S. economy? In a CNN.com poll, 74% of 37,150 online readers surveyed as of 1/22/08 said they thought the United States was already in a recession. The previous week, the S&P 500 had its largest weekly decline since July 2002.

That same week, the MSCI index of global stocks sank 2.6% to its lowest levels since December 2006, and oil fell below $89 a barrel, a 6-week low. The Fed cut interest rates 0.75%—the first time it has cut rates by over 50 basis points at once since 1982—and President Bush called for a package worth up to $150 billion in tax cuts and other measures.

Worse, it doesn’t take a recession or even a soft economy to create problems for your business. Every business has ups and downs. Even if things are going great guns right now, you need to develop business-generating strategies that succeed when times are tough.

Many businesspeople fear a recession or soft economy, reasoning that if the economy is poor, clients and customers will cut back on projects, stop spending, and—worse—sacrifice quality and buy only from low-priced vendors.

All of this is true—but only to a degree. An economic slowdown can be a problem for your business. Or, it can be an opportunity to gain new clients and boost your sales—if you know and have mastered the marketing and sales methods that work best in recessionary times.

What follows are 15 strategies that companies use to maintain—and even increase—their sales, while their competitors struggle to stay afloat. Apply these techniques to your own marketing and selling efforts during a recession, and you will survive—even prosper—while others struggle to get by.
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Recession-fighting strategy #1: Reactivate dormant accounts.

To reactivate a dormant account means contacting a past client or customer—someone you served at one time, but are not actively working for now—and getting them to do business with you again.

The quickest and easiest way to do this is to sit down with your list of past clients or customers, call them and say hello, and see what’s going on.

Don’t make this a hard-sell call. Tell them, “Hi, it’s Jane. I’m calling just to check in and see how you’re doing, since it’s been a few months since we last spoke.” Ask them what’s new...how they’re doing...what’s going on with their business.

Don’t ask for work directly, but when you end the conversation, you might say something like, “Well, it’s been good talking with you. Keep in touch, and if there’s anything I can ever help you with, don’t hesitate to give me a call.”

This lets them know you are interested in working with them again—without putting the pressure on them to give you an order right then and there.

If you are uncomfortable phoning, you can send an e-mail or letter, perhaps calling their attention to a recent article, literature on new products or services, or testimonial letters from your other accounts. This accomplishes essentially the same goal: to recontact the client or customer and remind them of your existence, products, services, and availability.

What kind of results will you get? It depends on how severe the recession is, and whether you catch someone with an immediate or upcoming project with which they need help. On average, expect one order or assignment for every 10 calls you make.

Warning: Don’t call up and say, “I’m not busy and need work right now; do you have any assignments?” or “Things are slow; how about an order?” This is a terrible approach—for two reasons.
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First, the client or customer feels pressure, feels he has to come up with an “excuse” why they haven’t given you an order lately. This is uncomfortable—and awkward—for both of you. Plus, customers pull away from suppliers who exert sales pressure.

Second, it makes you seem desperate, and you do not want to seem hungry or needy.

In fact, a key goal of all of these 17 recession-fighting strategies is to make it seem that your purpose is to serve the client or customer better and more efficiently, not fill a gap in your slow work schedule. Always say you are calling to help them...and not, as is really the case, because you need the sale.

Recession-fighting strategy #2: Reactivate old leads.

If you’re like me, here’s how you handle inquiries.

Someone calls. You send information. You call to follow up. They don’t respond. You call again. After that, you give up and forget about them.

But believe it or not, many of those leads you simply gave up on can be turned into profitable business for you...with just a little extra sales effort.

In fact, a study by Thomas Publishing Company reveals that most salespeople, regardless of the industry, give up too early.

According to the study, 80 percent of sales to businesses are made on the 5th sales call, but only 10 percent of salespeople call beyond three times!

So you have probably not followed up on leads diligently enough (for example, I almost never call more than twice), and the new business you need may already be right in your files.

The best way to reactivate these old sales leads is to call them. Ask whether they got your material. Do they have an immediate or future need? What is the status of that need?
This technique can be profitably used on prospects who have inquired within the last year or two. The best prospects, however, would probably be those who contacted you within the past 6 months.

I find that one-quarter to one-half of the prospects will encourage you to send sales literature, and perhaps one or two out of ten will come through with an order.

**Recession-fighting strategy #3: Help existing clients or customers create new assignments or sales for you.**

Usually, my clients come to me with assignments they want me to handle for them.

But if they don’t, and I want to generate additional revenue, I will call them up and suggest marketing ideas they can use—ideas which, if they go ahead with them, they will ask me to implement for them.

Now normally I encourage you not to give away your advice for free.

But if business is slow, there’s nothing wrong with tossing out a few quick ideas—things which may be obvious to you and you didn’t spend a lot of time coming up with, but which will be extremely valuable to your client or customer.

For instance, when one of my clients introduced a new service, I immediately suggested a direct mail idea he liked, which resulted in a $2,500 copywriting assignment on the spot—a $2,500 assignment he would not have given me otherwise.

So when things are slow, and the clients or customers aren’t calling, you can call them and help them come up with assignments for you.

Key Point: Obviously, your approach is “Here is an idea that can help you, Mr. Client (and by the way, I’d be happy to implement it for you).” Not—“Please give me an assignment so I can keep busy and make money.”
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Recession-fighting Strategy #4: Give a superior level of service to your clients and customers.

In a recession, or during other times when business is slow, you want to do everything you can to hold onto your existing clients or customers—your “bread-and-butter” accounts.

The best way to hold onto your clients or customers is to please them. And the best way to please clients or customers is to give them not their money’s worth, but more than their money’s worth.

Now is the time to go the extra mile, give that little bit of extra service that can mean the difference between dazzling the client or customer vs. merely satisfying the client or customer.

The best protection against a downturn in new business is an active list of happy, satisfied clients or customers—people or firms who give you a steady stream of continuing assignments that pay the rent and feed the family.

So cultivate your current clients or customers. Nurture them. Serve them well. Do everything in your power to make them happy and keep them satisfied with your product or service—so they keep coming back for more.

Recession-fighting strategy #5: Quote reasonable, affordable fees and prices in bid situations.

If times are tough for you, they may be tough for others in your industry.

Clients know this and may seek to take advantage by sending jobs out for multiple bids, where previously they might have come to you only.

And if there’s a recession, the cost of services or products will become more of a factor than it normally is; customers and prospects will be unusually price-sensitive.
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The solution is to bid competitively, but reasonably. If you are high-priced to begin with, and you insist on getting top dollar, be prepared to lose out in some bidding situations.

How should you price your products or services during a slow period or a down economy?

*Don’t* instantly lower your prices to rock-bottom. You may never be able to raise them again.

Also, you don’t necessarily have to reduce your prices...especially if your rate card or fee schedule presents a *range* of fees.

You *should*, however, bid toward the middle or lower end of your published fee range, rather than at the maximum.

For example, if you list $5,000 to $8,000 to write a short annual report, quote a price of $5,000 or $6,000, not $8,000; make sure you are not charging way more than other firms bidding on the job.

As a rule, during a recession you probably want to adjust your bids so they are 15 to 20 percent lower than what you would normally charge in a healthy economy.

This gives your prospects the break they are looking for, shows fairness on your part, but does not cost you much in the long run.

Note: Do not tell clients or customers that the fee is a special reduced fee. Simply present it as your bid on the project. If customers and prospects sense you are cutting fees because you are losing assignments, they will take advantage and try to force your prices even lower. So keep your pricing tactics secret, and simply present the price as you normally would.

**Recession-fighting strategy #6: Use low-cost “add-ons” to generate additional revenue.**

One way to generate some extra profitable business is to encourage clients or customers to add on to—or expand—existing assignments or purchases.
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For instance, if one of my copywriting clients is doing an ad on a new product, chances are they also need a press release on that same product.

I can upgrade the total project fee by offering to do both jobs for a package price. For instance, if my fee for the ad is $1,500, I may tell the client, “You also should send out a press release to all the publications in the field. I can write a press release while I do the ad for you; the additional cost is only $500.”

Frequently the client or customer will accept such a recommendation, and I get an assignment that is $2,000 instead of $1,500. And it’s easy to do the small add-on project, since it uses the same basic background information and material provided for the main assignment.

This is an easy income-booster. Using this technique, you can increase the average dollar value of each project 10 to 40 percent more with virtually no extra sales effort.

I often look for ways to add extra or ancillary assignments to the major assignment. It’s good for me—and good for my clients. I get more work. They get a more complete service. Try it!

Recession-fighting strategy #7: Avoid being a prima donna.

Let’s face it. When you’re busy, in demand, and have much more work than you can handle, it’s a great feeling. The tendency is to get a swelled head. My advice is: don’t. And why not? Because when things are slow—like now—it will come back to haunt you.

Nobody likes a prima donna. You don’t. And neither do your clients or customers.

Now, you may put up with a contractor, doctor, or freelancer who’s a prima donna because you feel they are the best source of service...and you know they’re so in demand that you need them more than they need you.

But you don’t like it—in fact, you resent it—and you’ll always be on the lookout for another supplier or professional to replace the prima donna.
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Your customers feel the same way. And, when the situation reverses—when things are slow for you, and the client or customer knows you need work from them, but they don’t really need you—they’ll take revenge. And you’ll be out.

The solution? Always, always act like a pro: a helpful friend, trusted advisor, and result-getting consultant to your client or customer.

Be useful, courteous, and accessible. Don’t be a snob or act high-handed.

If you give your clients or customers genuine reasons to like you, and you are always helpful to them, they’ll stick with you…and that can make a big difference in your life when things get slow.

Remember, in a depressed economy, continuous business from ongoing, current clients or customers is what keeps you afloat.

Make sure you have that business when you need it tomorrow by acting professionally and properly today.

Recession-fighting strategy #8: Postpone any planned fee increases.

A recession, depression, business downturn, or soft economy is not the appropriate time for you to increase your fees or prices, even if you feel you deserve it and that a raise is long overdue.

During such a period, you should defer any planned fee increase announcements until later, and instead keep your fees at their current levels.

Note: Don’t announce to your customers and prospects that you are “holding the line” on prices due to the recession and your desire to help them through it. Remember, even though you are feeling the effects of a soft economy, they may not be going through similar difficulties. Thus, your announcement would clue them in to the fact that you are in trouble…and some may take advantage of your perceived need of business by haggling on price with you.

So leave your fee schedule and price list as is and continue with business as usual.
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Recession-fighting strategy #9: Downgrade slightly your acceptable client or customer profile.

You have a set of written or mental guidelines that determine which clients or customers are desirable to you...and which are not.

During a depressed economy or personal business downturn, you may want to be more flexible in this area than you usually are.

For instance, if you normally do business with Fortune 500 companies only, you may want to consider taking on assignments from smaller local firms...provided the pay is decent and their credit rating is good.

Or, if you normally work only on major annual reports, you might consider knocking out some small quarterly reports to generate needed revenue.

This doesn’t mean you throw your standards out the window and work for anyone who calls you. Far from it. Instead, you are simply readjusting your acceptable client or customer criteria during this temporary lull to accommodate a wider range of prospects and projects.

How far should you take this? It’s up to you. If, for example, you normally have a minimum project fee of $1,000, you might accept $500 assignments, but you probably should stick by your guns and not take on $50 assignments.

Recession-fighting strategy #10: Plan an aggressive new-business marketing campaign.

This strategy has two parts to it.

The first part, which seems blatantly obvious, is that when things are slow, you increase the percentage of your time spent on marketing and prospecting for new business.
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For instance, if you usually devote 10% of your time and energy to marketing and sales when things are fairly busy, you might increase this to 25% when things are slow. During a lull in business, you need to make this extra effort to attract clients or customers, follow up on leads, and close sales.

The second part of the strategy may not be so obvious. It’s this:

To prevent a lull in business from ever happening in the first place, you should market consistently and aggressively all year long, every week—not just when you need the business.

Planning an ongoing marketing campaign ensures a steady stream of new business leads. Marketing done today begins a selling cycle that will result in new business when you need it six months from now.

What types of marketing work best in a recession? Use a combination of result-getting direct marketing (e-mail marketing, free content offers, sales letters, self-mailers, postcard decks, special discount offers) plus low-cost/no-cost visibility-enhancing publicity techniques (press releases, articles, speeches, booklets, seminars, newsletters, blogs). Avoid costly “image-building” marketing—such as large space ads, slick corporate brochures, expensive annual reports, and other marketing communications that drain your budget without producing measurable results.

Recession-fighting strategy #11: Repackage your services to accommodate smaller clients or customers and reduced budgets.

When you’re busy, there’s a whole group of prospects you probably turn away without a second thought.

These are companies that are too small (read: too under-budgeted) to afford your product or service.

But when things are slow, it pays to look for ways to generate revenue from this normally overlooked market segment.
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This is best done by repackaging your service or product line to accommodate smaller clients or customers and reduced budgets.

For instance, the client or customer who cannot afford to pay you $5,000 to write his direct mail package can afford to pay you $500 to critique a package he writes himself.

He can also afford to pay you $100 an hour for your consultation services, take your full-day direct mail seminar for $200, or buy your e-book for $49.

Freelancers, consultants, and other service providers can repackage their expertise and services in a variety of formats including hourly consultations...critiques...telephone consultations...newsletters...special reports...booklets...audio tapes...instruction manuals...books...seminars...etc.

Manufacturers and other product sellers can offer compact models, economy sizes, no-frills versions, special discounts, payment plans, and smaller minimum orders.

These alternatives may not provide as complete a solution as the deluxe package. But they give the smaller client or customer the help he needs at the price he can afford.

When the big companies are not giving you the big orders at the big prices, selling these alternatives to the less affluent segment of the market can put lots of extra dollars in your pocket.

Recession-fighting strategy #12: Add value to your existing service.

In a recession or soft economy, clients or customers in all areas are more concerned with price than ever before.

Actually, though, their real concern is making sure they get the best value for their dollar.

You can win new accounts and retain existing clients or customers by enhancing your service and providing your clients or customers with more value for their dollar.
For instance, if you are selling a commodity item, you could add value by offering faster delivery than your competitors. Or a larger selection. Or more colors. Or more options. Or easier payment terms. Or a better guarantee.

There is no need to “give away the store” and promise an excessive amount of extra service. Just a little extra effort or service on your part will be perceived as a significant increase in value by the client or customer.

The “extras” you provide need not take a lot of time or cost a lot of money. Always look for ways to give the client or customer not just their money’s worth but more than their money’s worth. These “little extras” always pay big dividends in client or customer goodwill and ongoing future assignments.

Recession-fighting strategy #13: Keep busy with ancillary assignments or accounts.

A slow period in your business is a good time to busy yourself with other projects, such as cleaning out your files...redoing your Web site...developing a new marketing strategy...making upgrades or technical improvements to an existing product or service...auditing your customer support procedures...revising your standard proposal or sales letter...redesigning your PowerPoint presentations...or any of a hundred things that need doing but never get done.

Now you have the time. So do them.

Another strategy is to take on ancillary assignments to fill in gaps in your work schedule. This keeps the money coming in until your regular business picks up again.

For example, a carpenter who is normally busy with major home improvement projects saw business fall off during the slowdown of the early 1990s. His solution: Call old customers and offer to do odd jobs, small projects, and general “handyman” work to generate income until he got calls to do large remodeling jobs again.
Recession-fighting strategy #14: Migrate from offline to online.

Start moving as much of your marketing, customer service, selling, and product delivery from offline to online as possible.

Doing business online gives you many advantages. Most important during a recession, online marketing saves you money.

Direct mail and catalogs are expensive. So are print ads and TV commercials.

Instead of mailing a quarterly 8-page newsletter to your customers, create a monthly online newsletter instead. If your customers have given you their e-mail addresses and permission to e-mail to them, distribution cost for an electronic newsletter is nominal.

Stop producing expensive color brochure. Put most of your product information up on your company Web site. Have pages that give key product features and specs. These can be printed on two sides of an 8 ½ X 11-inch sheet of paper as “data sheets” when you need hard copies to mail to prospects.

Use Microsoft SharePoint or content management software (CMS) to manage your online content. With a CMS, you can post and update information on your Web site yourself, without paying a programmer or Web master to do it for you.

Whenever possible, convert information products and sales literature to electronic formats that can be distributed over the Internet via e-mail. For instance, instead of going to the expense of holding a live seminar, you can do a Webinar, tele-seminar, or podcast.

Recession-fighting strategy #15: Be positive.

The most important thing about a slow period is not to be depressed by it. If you are depressed, anxious, or you panic, prospects can sense your desperation and fear, and it has a negative effect on your dealings with them.
“Whatever strategy a business adopts to survive in a recession, I think it’s a good idea to remember that the whole grim process can bring rewards in the long run,” says British copywriter Bill Hilton. “In a year’s time there may be fewer copywriters, coders, and consultants. But the ones that survive should be pretty well battle-hardened.”

Remember that everybody in business has slow times; those who say they never do are liars. You are talented and successful. Your talents, knowledge, products, and services are valuable; many people over the years have found them so. The lull is temporary. People will call you and hire you again.

Recessions do not last forever. Historically, recessions have lasted an average of 17 months. Recent recessions have lasted an average of only 12 months. The reason is a shift from an industrial manufacturing society to a service and information society.

When the economy was based mainly on heavy industry, economic recoveries took longer because selling cycles of big-ticket machinery and equipment are slow—often 12 months or more. But in a service and information economy, the purchases are smaller, and purchase decisions are made faster. So business can pick up fast.

Don’t despair, and don’t give up too soon. It is possible to have 2, 3, even 6 or more slow months. But if you follow the 15 strategies outlined in this booklet, you can turn things around and become busy and profitable once again.
About the Author…

Bob Bly is an independent copywriter and consultant specializing in online, direct response, and business-to-business marketing. Clients include Casey Research, RTape, Forbes, Execunet, Boardroom, and University Publishers.

Mr. Bly is the author of more than 70 books including *The Copywriter’s Handbook* and *Internet Direct Mail*. His articles have appeared in such publications as *Cosmopolitan, New Jersey Monthly*, and *Amtrak Express*. McGraw-Hill calls Bob Bly “America’s top copywriter,” and he was AWAI’s 2007 Copywriter of the Year.

Bob Bly has taught copywriting at New York University and has presented sales and marketing seminars to numerous corporations, associations, and groups including: the American Marketing Association, Business/Professional Advertising Association, Direct Marketing Creative Guild, Women’s Direct Response Group, American Chemical Society, Publicity Club of New York, and the International Tile Exposition.

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