



Business Development in Tough Economic Times


When looking for marketing strategies, increasing networking activities can lead to untapped customers, business opportunities

by Bob Bloom • INK & TONER USA

I am writing this shortly after returning from a vacation in St. Thomas, a trip planned and (mostly) paid for more than a year ago while our business was

growing — before gas prices hit \$4 a gallon, the financial industry melted down, and the major impact of the economy began to have such a dramatic effect on so many businesses and so many people.

St. Thomas is a beautiful island, and we stayed in a beautiful place, a timeshare overlooking the Caribbean. We spoke with the sales manager, and while he said that business is still good, their timeshare sales are understandably slower than they had been, as the economy has hit them, too. He claimed that they used to sell one out of three who took their tour, but now it is one out of four. I suspect that their actual closing rates are really lower — both before and now. Remember, I was



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talking to a salesman.

And there are fewer people taking tours. So what are they doing? They know that they need to get more people to the island. To do this, they are heavily promoting their five-day/four-night vacation for \$299. It's a great deal, if you're willing to spend 90 minutes with a salesperson (or more, if you're interested in buying). And, of course, you need to put up with the airlines in order to get there.

They are increasing their marketing, not decreasing it. For them, it's rather easy and it's smart. It really doesn't cost them much when they have empty rooms available, and it's impossible to stay there without

spending money. And if you buy, then they have really made out well on their marketing investment.

I regularly ask business owners and business people about how the economy is affecting their company, and the answers are almost always the same — that their business is down.

The most optimistic euphemisms that I hear and see are 'so-so', 'not too bad', 'holding our own', 'steady', or faces accompanied by a grunt. They seem to describe conditions as well as anything you hear on the news. For many, it's a time of just trying to survive. It's sad to see entrepreneurs who poured their money and sweat

equity into a business, see it grow, and then have it disappear seemingly overnight through no fault of their own.

Our own business is down this year, but we are comparing to a good first few months of 2008. One of our measurements is how we are doing relative to most of our customers — and we're doing better than almost all of them. When they're not busy and aren't printing, they're not buying ink and toner. We're confident that we'll be OK, but it will take time, and it will take extra effort on our part.

One of the first things companies usually cut is business development and marketing. Watching your expenses is fine and a good idea, but eliminating your business development and marketing efforts is seldom smart. Actually, this is a perfect time

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to be increasing your efforts.

Now, I am suggesting that you should increase your efforts, not necessarily increase your expenditures. It's an important distinction, and while not always easy to accomplish, it can be done.

As our business has grown over the years, we've spent our marketing dollars in a lot of different activities – newspaper ads, business shows, radio ads, sponsorship, coupon books, public relations, networking, Web marketing, and more. If it seemed like a good idea with a reasonable chance for success, we tried it. Some worked well, some not so well. We've achieved our best results with public relations, primarily early in our company's life, and networking, which has brought us sustained growth throughout our five years of operation.

So as we look to watch our expenses, we are increasing our spending of time and/or money in those areas that have brought us the greatest return in the past and also offer the greatest potential for growth. And we are decreasing our expenditures on marketing experiments, at least for a while.

Extensive networking has truly helped us to grow our business. When we opened in 2004, my wife, Jane, and I networked as much as possible. We joined several Chambers of Commerce, including one where we live and one where our store is located. Each of us joined a business-networking group, the

type in which one business of each type is permitted. I joined a BNI chapter (2004-2006) and Jane a local group of which she remains an active member.

As our business grew, Jane extended her networking even more, but I actually reduced my activities to focus on the business operations. Jane joined the Women's Chamber of Commerce, became extremely active, is now first vice president, and will become president in June. She has been deeply involved in other women's groups, too, and recently was welcomed into an Executive Women's organization. The relationships that she has developed have brought us lasting customers.

During the past months, I have increased my networking activities dramatically: a new morning business group, attending more chamber and other events, joining another chamber. In April, I became a member of the board of directors of one chamber. And all of this will require even more of a time commitment in the future – and we expect, generate more business.


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While we're making a concerted investment in networking, we're also investing in an entirely new product line. During the past two years, we've dabbled in selling printers, mostly refurbished ones,

but virtually all of our business has come from ink and toner. Now, through a relationship with a local dealer, we're launching the sale and service of a major brand of printers, copiers, and fax machines. We've gotten a good response from our customers, and we're confident that we'll be able to grow this aspect of our business. It's a low-cost, low-risk investment for us, and we anticipate an excellent return on that investment.

And we're beginning to dabble in computer sales and repair to test that business, much in the same manner that we tested the waters with printers previously.

A poor economy makes it difficult to be successful, and we've taken our lumps recently. This is a time to invest wisely — even more wisely than ever before — in order to build or re-build the business.

We are confident that it will allow us to become an even stronger player as the economy begins to recover and strengthen, whenever that occurs. And after all, I hope to be able to afford more great vacations. 

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