



## Michelle Rodger

**T**HE recession may at last be loosening its stranglehold on our economy but it is clear that despite any little green shoots that might tentatively be appearing, the landscape on which we do business will never be the same.

When the banks finally decide to start lending again - and I mean lending properly, that is on the same terms as before - they will find they are lending to companies that have experienced a new paradigm in how to do business.

There's been a change in focus from the importance of the size of turnover to the size of profit margin; from hiring skill to hiring attitude; from high tech to high touch; from capital expenditure to return on investment; from traditional seasonality to a more level playing field; and crucially, from competing on price to building sustainable relationships with customers.

The psychology of buyers in the downturn has changed irrevocably from a year ago, when the recession hit the hardest and buyers were in a strong position to batter down prices and buy as cheaply as possible. Not surprisingly, many got stung as a result, and now that the tide is turning buyers are more focused on less (or no) risk purchasing, and are prepared to pay a bit more after establishing a relationship with the selling company and learning to trust them.

For many businesses the downturn has been a great leveller. Previous seasonality trends have been turned on their heads, and buyers are now buying "out of cycle".

According to Stephen Ng, founder of [eflyer-express.com](http://eflyer-express.com), the downturn has simply got rid of complacency among purchasers. Ng says he is finding people are trusting and buying from businesses who convey consistency, steadiness and stability, rather than those putting on sales. He believes people do business with people they know, like and trust, and says it's vitally important to be genuine, open and honest in all your business dealings.

Since the recession chiefly acts in reducing the flow of cash, says Ng, it brings on the most severe struggle between businesses that subsist on the same kind of client or market. The nature of other businesses with which it has to compete is generally a far more important success factor than climate.

"Everything in life and business," says Ng, "is about relationships."

But the most seismic shift during the recession has to be the change in focus from selling to buying. There is no longer a sales cycle, if indeed there ever really was one as anything other than a lame excuse for a salesman to blame failure to meet targets on a customer's lengthy sales cycle.

Instead, the key to successful

selling - <sup>case, under-</sup>stand and <sup>atly into your</sup> customer's buying cycle. A salesman has to think like a customer, and his manager has to set new targets, forecasts and timescales accordingly, since the buying cycle is completely at odds with what most understand as a sales cycle.

Indeed, this is just the start. Customers are now expecting, nay demanding, less risk and more proof of value before they finally make any purchasing decisions.

Market Transformations' Tim Sandford says that while there is some glimmer of optimism in the market in general, there is still a lot of reservation about spending, so the elements he is working on with his customers are all focused on proof, risk and value.

Sandford's reasoning is based on what he is currently experiencing in the market, which is predominantly that businesses making purchases want really positive reassurances and proof that the purchase they are making is as risk-free as possible, which means that those points already made



## Everything in life and business is about relationships



of consistency, stability and steadiness are important.

His experiences are backed up by other businesses striving to sell in an increasingly competitive and demanding marketplace. Kevin Ashcroft, managing director of OCD, says he wins customers for two specific reasons. The first is, as Sandford has highlighted, proof. "We can prove categorically that we do what we say we will through case studies and other material," says Ashcroft. "The second is that we have been in IT support for 15 years, so we are established and very low risk from a buyer's perspective."

Neil Barr also understands just how critical it is for a business to demonstrate knowledge and experience to potential customers. As MD of Alienation Digital, Barr wants his company to be seen as exciting, creative and driven, but that has to be balanced with being perceived as low or no risk which, says Barr, means being able to demonstrate and prove it.

For Sandford, the big things that get companies going down the right road are: understanding they have to appear incredibly low risk - steady, stable, relevant and secure; developing ROIs, a provable business case that their product does what it says on the tin; and demonstrating value, which is really just a combination of the first two wrapped up in a way the target market can understand.

It sounds simple. Actually, it is; you just have to be the best at what you do, and consistently and honestly prove the value to your customers.