

# Key strategies for distressing times

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Concrete industry players are not immune to dire financial news now playing on the national media. In reality, producers and allied businesses can not do much to control the economy, but a great deal can be accomplished to positively impact concrete companies and even capitalize on the situation to grow market share and profits.

Each downturn in the economic cycle brings to the forefront those items typically ignored during prosperous times. Smart business practices—critical to operations producing pavers, retaining walls, block, and patio units—that were employed a few years back may have been sloughed off in the interim and would warrant refreshing. Thus, in the spirit of “making lemonade out of lemons,” 10 initiatives are presented to help capture market opportunities, facilitate customer growth, and revisit plant processes to maximize results.

**1) Hit the road**—Because dealers and installers are impacted by the same economic challenges, focusing all efforts internally and allowing the competition unobstructed access to customers and strongest prospects would be a critical mistake. Mobilizing managers and the sales team is essential to determine how customers are faring and what the company can do to assist them. Given the plethora of creative approaches producers can offer, none should be left off the table—especially now.

**2) Reevaluate the competitive landscape**—As many concrete companies shift selling territories, sales personnel, and operations staff—all distractions from their normal way of doing business—an opportunity is available to fill any voids opened unintentionally in reacting to economic conditions.

While the window is open, seeking out and acting quickly on such short-term opportunities is advised. Most likely, competitors are solid and strong, so they will not be vulnerable for long. If help is needed to identify strategic opportunities or conduct a competitive analysis, an outside firm can provide expertise to aid the effort.

**3) Move to solution-based selling**—Providing what the customer needs, given current economic woes, is key. Talking about last night's game is not going to get the job done. As customers certainly are suffering from the same conditions afflicting producers, gaining further insight into their operations and working together are central to finding solutions to grow their business. The right questions must be posed. Since any prospect is preoccupied with keeping its business performing, promising ideas and solutions are guaranteed to garner interest—and offering both will distinguish a company in the market.

**4) Keep marketing projects on track**—A common knee-jerk reaction to difficult times involves cutting back on marketing expenditures. Yet, properly focused marketing initiatives will generate new business opportunities and support the existing customer base. Long-term thinking would dictate engaging a firm that fully understands the concrete products industry and effective communication with its customers. Assistance with sales programs or recommendations for locating experienced marketing firms can be obtained, but staying visible is essential.

**5) Strengthen employee and customer training**—Over the past few years, selling product has evolved from a relationship-based approach to one requiring product expertise and strategic savvy. Accordingly, employees must have the skills they need to execute company plans. Such training can also serve as a morale-building tool. Regarding customers, the perfect time has arrived to enhance their understanding of available products and focus interest on the upcoming selling season. Capturing sales requires knowledgeable staff and informed customers.

**6) Specify what works for the business**—It's more important than ever to track those factors that are vital to a plant's health and well-being. Key performance indicators (KPI) should be communicated regularly to all plant employees to help keep everyone focused on the same goals. Typically, about 15 items

can provide significant insight into a plant's vitality. All of them should be scrutinized and rendered meaningful to the operation.

**7) Understand the customer's long-term value**—If the long-term value of a customer has not been evaluated, a disproportionate amount of available selling time may be spent on prospects that aren't as profitable as others. Consequently, sales personnel must have a complete understanding of customers and their full potential.

**8) Eliminate wasted or unproductive time**—Especially in a challenging economy, wasted time can hamper the ability to maximize sales reps' efforts, as operational costs are driven through the roof. While efficiency analysis doesn't necessarily require a long time, the results could have a dramatic impact on a company's bottom line.

**9) Partner with vendors**—Many vendors are willing to work with producers, developing a true partnership to help grow the business. Companies, therefore, can benefit by revising their approach of seeking the “low cost” provider in favor of those offering “high value.” Short-term philosophies likely will not best serve producers through the upcoming business cycles. Even now, company resources are available to develop and maintain high-quality vendors, while reducing expenses. Again, needed assistance can be obtained from experienced firms specializing in strong vendor relationships and raw material cost reductions.

**10) Cultivate personnel**—Some real talent in the field may be at large, so open communication lines with industry players are indispensable. If the company needs shoring up, a finger on this pulse may prove valuable. Conversely, a “franchise player” in one's operation should be kept fully engaged and involved in the business. Communication will be key to maintaining a workforce that feels good about company plans and understands the mission.

**Bonus: Leverage assets**—Now is the time to look for other products or services the company can provide using its current assets. Expanded offerings stand to increase revenue and allow additional uptime in the plant.

For a successful 2009, producers must identify the needs of their customers and industry organizations. Implementing programs addressing those needs will improve the prospects for a profitable year.