Leading in Tough Economic Times

As economic uncertainties run rampant and competition heightens, instinct screams to run for cover. Business owners: Stand strong. These tips will help you lead your team through the storm.

With all the job losses, depressing forecasts, business closings and gloomy messages that surround us, it might seem as if we’re caught up in some sort of economic Twilight Zone. Like many of you, I’m a small-business owner, and I like to think that I am “depression sensitive.” Most entrepreneurs know that turbulent times present opportunities. Managing our businesses and the people we employ has never been so critical, especially when we add challenges such as higher wages and increased competition; a change in consumer spending habits; and shrinkage in the labor pool. For some, this spells trouble; for others, it spells opportunity. Regardless of where you stand, your job is to keep your business running smoothly and profitably, with the spotlight on shoppers — this is even more vital during periods of economic slowdown.

So how do you successfully lead your team of employees through a global financial crisis and keep customers coming back? And where your bottom line is concerned, how do you keep your head above the choppy waters? The following tips can help you sharpen your leadership skills, get a grip on your fear and lead with confidence, credibility and tact. You have a huge responsibility to your employees and customers; they’re both counting on you. Let’s get started.
Re-Examine Your Business Plan

Update your business plan with recession in mind. Re-evaluate every aspect of your business plan from a new point of view. Every business owner should go through the exercise of running financial projections that model what happens if your revenues are less than 10 percent or more than the previous year.

Establish Effective Hiring Practices

Get comfortable with interviewing, know what to ask to get the answers you need to make a decision and don’t rely on gut feelings alone. Hire for attitude; everything else is secondary. And look for people who meet your expectations in terms of personality and proven abilities. Once hired, leave nothing to chance. Determine your best sales practices and then make sure the entire organization consistently follows those practices.

Don’t Lose Sight of Your Niche in the Marketplace

What, exactly, are you selling and to whom? As the old saying goes, “you can’t be all things to all people.” This may require a change in your merchandise offerings, especially in terms of gift items, pottery, lighting and statuary, etc. Only you can decide whether a niche market is what you want and need to keep your business afloat.

Review, Review, Review

Review spending habits and review any expenses that are discretionary for opportunities to defer or reduce cash outlays until the economy picks up.

Evaluate Standards

If sales people are not making their quotas, take another look at your expectations. Are your standards realistic? Or are you asking them to do the impossible? Are your employees getting sufficient training? Support? Good benefits and perks are worthless if your sales people are unhappy, embarrassed or unmotivated. In a strong economy, sales associates are handed business; they don’t have to work for it or follow up with customers. In a stressed economy, they will have to try harder to qualify their buyers and stay within budgets.

Stellar customer service starts with empowering your staff and clarifying your expectations of them.

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Be Visible in Your Community

Get your employees involved in a community-service project so that customers and prospects get to know you outside of your business. Consider providing your employees with colorful T-shirts with your store’s name and logo while they’re volunteering. Make it fun. Notify the media of the upcoming event for free publicity.

Keep it Simple

To make it easy for customers to buy from you, take a close look at your processes and credit policy. Make sure if you run an ad in the newspaper that you include your business hours, address and telephone number. More than one store has lost business because they neglected to include their contact information.

Make a Great First Impression

What does your parking lot look like? How about your store and restrooms? First impressions are lasting. Is your garden center “shoppable,” with nothing blocking the aisles? If you don’t have time to keep your property in tip-top shape, what makes you think potential customers would want to do business with you, especially when they may be cutting back on their spending? They have choices! Nothing is a bigger turnoff than seeing trash on the premises while employees look like they don’t have enough to do.

Draw Customers In

It appears that customers are not buying as much as they used to; however, if you can get “face time” with your prospects, you have a much better chance of making a sale. Decide how you’re going to do that. This might require a strategic-planning session. Get your employees involved. Even if your store has been around awhile, a fresh, new look may help you appear different in the eyes of your regular customers.
The Customer Is Always Right
When there’s a problem, try to see things from your customer's perspective. If you’re not able to do this, you could lose future business because of a minor issue that could have easily been resolved. Word travels fast — especially bad (see our story on handling problem customers on page 36 of the November 2008 issue). Good service is achieved when your employees are satisfied with your expectations of them and when they are personally held responsible for meeting the needs of their customers. Make sure your employees understand the importance of providing the ultimate customer experience!

Treat Every Customer Like Your Best Customer
Not everyone who visits your garden center may look like a close friend. However, you’re there to offer merchandise and service. Remember the little old lady that never “dressed up” to go shopping because she thought she would be taken advantage of by a smooth-talking salesperson? She owned her own home and paid cash for everything, including her cars.

Invest in Targeted Training
If training is needed, it should be targeted to address those issues that will have the greatest return on investment. “Soft skills” training is very important if you hope to correct a weak sales team or process.

Curb Costs Creatively
Look for ways to reduce overhead any way you can. Hold a contest to see how many ideas your employees can identify for cutting overhead without eliminating staff. Look at wastes of products as well as time. Reward all employees that participate with a store gift certificate or catered lunch for your entire team.

Survey Productivity
Conduct a “barriers to productivity” survey. Find out what’s keeping your employees from working as productively as they can. Do they have the authority to

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A friendly and knowledgeable staff can help set you apart from the competition.
carry out their responsibilities or is someone or something holding them back? You might want to conduct “focus groups” to gather this information or do an informal survey to get to the truth.

**Thrive on Teamwork**

Work on solutions as a team to boost sales. Get everyone involved, even office personnel. Consider everyone’s ideas. Implement those that have the most potential. Thank everyone for his or her contributions.

**Learn From Your Competition**

Be aware of what other garden centers are doing to attract customers as well as top-notch employees. Take an especially critical look at other retailers to assess what they’re doing right as well as what they’re doing wrong.

**Go the Extra Mile**

In a recent real-life example, personal friends of mine visited a garden center but left disappointed: The center was short-staffed, and employees didn’t seem to know much about plants. They had heard a lot about the business and its customer-friendly staff but found the opposite to be true. They could have asked to speak to the manager but decided that they would keep looking. They ultimately purchased more than $45,000 in landscaping for their new home and hobby farm from a competitor.

**Celebrate Success!**

Buy a pair of rose-colored glasses as a reminder of how important it is to celebrate success with your team of employees on a regular basis. It’s easy to get in the rut of “we need to do more” and forget how far you’ve come.

**Plan for the Long Haul**

In the article, “Marketing Strategies for Tough Economic Times,” author Brian Clark poses the question: “Did you know that the entire cosmetics industry was born in the depths of the Great Depression?” It seems that offering women a little inexpensive luxury made the people who sold lipstick, rouge and eye makeup extremely wealthy, according to Clark. If you’re in business for the long haul, you’ve got to have a plan to help yourself and your employees survive the ups and downs of a volatile economy. It may take some creative brainstorming and it won’t be easy, but you won’t know what is possible unless you try.

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