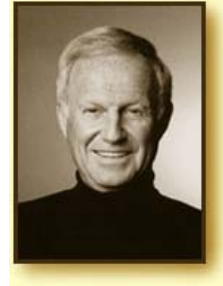


LEADERSHIP - DON'T SELL YOURSELF SHORT IN RECESSION

Harvey McKay - Columnist

The late David Ogilvy ranks among the great advertising gurus of all time. He became a Madison Avenue ace only after he peddled kitchen stoves door-to-door for five years. Would Ogilvy have cut back advertising during today's recession? Not on your life! Ogilvy's rules for recessions were crisp and tough: "Stop advertising a brand which is still in its introductory phase, you will probably kill it - forever." Whether it's an old or new brand, treat advertising "as a production cost, not a selling cost."



Ogilvy had a nose for breakthroughs in downturns. He touted studies that showed that "share-of-market went up in bad times - when advertising was continued."

What Ogilvy preached about ads holds for sales - tenfold!

Recessions have a way of making managers too smart for their own good. They'd rather not remember that deals don't close themselves. Cockeyed schemes abound. What better time to trim the sales force? Why not merge territories? Better yet, why not dump territories altogether?

In July last year, The New Yorker ran a super piece on sales titled "Why Salesmen Never Die." This was well before the double whammy of recession and terror. The wisdom is even truer now. Author James Surowiecki cites the sad story of Xerox CEO Rick Thoman, who thought it would be a great idea to realign the Xerox sales team. Sales reps "were assigned not to territories but to types of companies." Years of personal ties snapped with the single rustle of an organization chart. Xerox's earnings nose-dived. Thoman found himself on the doorstep. Dropping territories cut sales and helped jam the Xerox machine.

Any birdwatcher knows our feathered friends favor their own haunts. That's where they're perkier and loudest.

Salespeople also are territorial creatures. If territories are precious in prosperous times, they are your lifeblood in downturns. That's no vote for carving territories in stone. Old standbys like hacking up territories by state or county deserve a look-see.

Defending sales-force size and territories aren't the only trump cards in a downturn. No selling checklist should miss tracking the following 10 priorities. I call them my Recession Roll Call.

1. Are you speeding up your selling cycle from six to nine months to two to three months? Buyers want to snap off decisions faster.
2. Before you make any cutbacks in your sales or marketing staff, have you calculated the contribution to overhead you may be throwing out your well-heated windows?
3. Are your customers doing business differently in the wake of Sept. 11 and the recession? Do your appeals match new conditions?
4. Is the downturn rattling your customers' buying confidence? Are they hanging on, white-knuckled, waiting for a doomsday scenario? Do long-term commitments scare them?
5. Is it time to soft-pedal luxury options and add-ons? If so, how will you focus the customer's attention on the basics?
6. Can you guarantee customers a steady source of supply? Will production cutbacks stifle your ability to deliver? And, to back up one more step, how might cutbacks by your suppliers stymie your output?
7. Customers often bolt for price during a downturn. What are your competitors up to? How will you keep your core customers loyal?
8. Does your advertising and promotion make sense in these times?
9. Are you in constant touch with your customers so that you can sniff out their concerns and attitudes?
10. The biggest question of all: Do you still have the same customer? Only your front-line salespeople can answer that.

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