

Recession? What Recession!

Back in 1999, I read a very insightful book called, “The Fourth Turning” (see www.fourthturning.com). The authors hypothesized that the economies of the Western world operate on 80 year “speculum” or cycles, divide by 20 year “seasons.”

The phenomenon was observed by the ancient Romans, and later by Europe after the Dark Ages. Given a few notable exceptions, the economic patterns are prophetic, if not downright eerie.

With recent economic events bursting out in major markets, where do we stand now? Convincingly, we are at the start of the Fourth Turning. “Economic winter” has begun. The last economic winter started off The Great Depression of 1929. As George Santayana stated, “Those who ignore history are doomed to repeat it.”

So what is New Zealand to do? I say, follow the path of Argentina. Argentina was a relatively small economy that was hit hard in October 1929. Contrary to the fiscal mismanagement by the Americans after the crash (is there a pattern here?), the Argentines stabilised their fiscal policies and recovered by 1935 and then grew their economy whilst the rest of the developed world suffered for another 5 years, plus!! A wonderful white paper from Stanford University entitled, “Economic Recovery From the Argentine Great Depression, 1998” outlines this beautifully.

On a micro basis, how can the small business owner hope to weather this impending economic “winter?” Prosper. Assuming the New Zealand government takes corrective fiscal action as had Argentina in the early 1930s (this is a big assumption), the Kiwi business professional can do two things – first, batten down the hatches; second, go and sell. Then sell some more!!

I was raised in Oregon USA (not too dissimilar to New Zealand with regard to economy). I also witnessed what could have been considered a light economic depression in the late 1970s. Unemployment ran at over 35% in some rural communities and the resource-based economy got hammered by “stagflation.” Life was dismal in Oregon.

I watched the family business not only survive, but actually PROSPER during those lean times. Like others in the sawmill equipment business, we survived because we provided superior products and we all sold our hearts out – mostly beyond the borders of the Pacific Northwest.

During my years as a management consultant travelling all over North America and helping over 100 companies to prosper, the importance of selling was never discounted.

One of my favourite clients was a very high-end jewellery store based in Newport Beach, California. I asked my client how he had weathered the most recent recession of the early 1990s (thanks to the Bush, Sr. Administration – is there another pattern here?). My client turned to me and smiled, “We choose NOT to participate in ANY recession.”

As such, his company had increased sales year-after-year, even during economic downturns. We were both horrified how businesses in southern California actually shrank their sales departments during lean times in order to “cut costs.” That was most often a reckless tactic.

I had read often that more millionaires per capita were created during the Great Depression than at any other time in history. The old saying that “necessity is the mother of invention” couldn’t be truer. And Kiwis have an awesome legacy with “number 8 wire” solutions. Those solutions with focused sales effort can keep New Zealand out of the recession. Even our Finance Minister had said this past Thursday that New Zealanders need not necessarily partake in a recession. Attitude is everything!!

Now is the time to batten down the hatches (watch your budget) and FORGE AHEAD. Get your financial house in order (there’s a reason why Fortune 500 companies are so flush with cash at the moment) and SELL, SELL, SELL.

We’re smart enough to have not involved ourselves in the subprime mess that the Americans created. We can also choose not to “take their medicine” as well. Let them clean up their own house and let’s continue to keep ours in order. And it all begins with each and every one of us.

To find out if you have the RIGHT sales energy within your organisation, check our website at www.assess.co.nz/pages/salesmax.htm We have a variety of profiling tools to see if you have the “right stuff” in your sales team.

SalesMax has an excellent two hour power workshop. Firstly we assess your sales team – do they have the right sales knowledge, personality and motivations to succeed? We then take the team through a personal goal-setting exercise to get them on the right track to success, or help them to understand they are in the wrong profession! For more information call me on 09 414 6030 ext 203.

In keeping to the theme of this article, our team at AssessSystems provides QUALITY tools at an affordable price – that’s what sets us apart.

Brent Lawrence BA, MBA

Brent hold an MBA from Thunderbird International Graduate School in international marketing and finance. He has been with AssessSystems since 2005.