

# Ad Business Report

incorporating  
NEW BUSINESS REPORT

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## NEW BUSINESS TACTICS FOR THE RECESSION

Most of us have been painfully aware of the current economic downturn for almost a year. As I write this, many economists predict a long recession due to the Gulf war. Clients continue to cut spending. New products continue to fail at an amazing rate. And, it appears there are just too many agencies in relation to the amount of business available. We can expect an alarming rate of agency failures in the next few years.

So, of course, this is the time to invest in new business development.

Why not. We advise our clients to do just that. The advertising industry has trumpeted several studies proving that cutting ad spending does more damage to a marketer's share growth than it helps their profit picture.

The same holds true for our own efforts. A new business program is an ad agency's advertising campaign. And, after an agency streamlines its operations and overhead, new client acquisition appears to be the best way left to stabilize or improve both profits and income.

The key is to redesign your current program to improve overall efficiency. It's time to trade in the shotgun approach for more tightly focused programs. To do so, here is my version of the classic four P's: the five P's.

**Positioning.** Pick a competitive positioning that is meaningful to your prospects and supported by the work you produce. That positioning should be as single-minded as you hope to convince your clients to be. However, single-minded does not mean inflexible. The agency's positioning should be motivating and applicable to everyone on your prospect list.

**Prospecting.** Get rid of your mass mailing list. Choose a manageable (read "short") list of companies/brands that you believe you have a real chance of winning. They should be companies that need the unique skills or experience you have to offer.

**Pursuit.** Once you have your prospect list, then develop a proactive pursuit plan for each company/brand. Become knowledgeable about the company and the category. Based on your knowledge and insights, decide the best way to approach, woo and win them. Don't forget to set and stick to a budget for the pursuit, commensurate with the client's potential value.

**Packaging.** Rethink and redesign your solicitation and presentation materials. Think in terms of a full-fledged campaign; think direct mail instead of letters and brochures, commercials instead of reels, etc. Make sure that every element reflects your agency's personality and positioning. Include corporate identity in your planning. If you can't hire a PR firm, then assign one manager the responsibility of corporate identity and press relations. Have him/her set specific goals and develop a plan of action.

**Product.** Our people are our product. Now is a good time to do some internal tinkering. Shore up departments where they need strengthening, upgrade your personnel and skills to improve your competitive edge and your client retention rate. There are many talented people looking for work and salary demands have dropped due to the laws of supply and demand.

A few thousand spent wisely today can mean hundreds of thousands in additional income this year, and millions more when the economy and ad spending pick up again.

-- Helene M. Kalmanson

(Helene M. Kalmanson is president of Kalmanson Consulting, New York)