Building Business in Tough Times

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A poor economy, stiff competition, unrelenting change all add up to tough times that make it difficult to grow and prosper. When things tighten up, people and organizations tend to tighten up as well. Budgets are slashed, nonessential spending is curtailed, hiring freezes are implemente—do more with less becomes the mantra. In this quest to reduce costs and save money, some common mistakes are made in the name of tough time strategies.

Tough time strategies do require wise decisions about how and where to spend your dollars but often dollars are eliminated or significantly reduced in three essential areas to tough time survival: marketing, innovation, and employee morale. When making decisions for your credit union, avoid common mistakes organizations make in tough times by following three “don’ts”:
Don’t stop marketing. Don’t stop innovating.
Don’t neglect employee morale.

Don’t stop marketing: A common mistake credit unions make in tough times is to cut back drastically on their marketing. This may save some money in the short-run but it’ll end costing you a bundle in the long-run. You run the risk of out of sight; out of mind—and possibly out of business.

Marketing in poor economic times can actually have more impact than marketing in better times. Fewer organizations are out there marketing so your message will have greater visibility. And if what you offer helps members solve their problems or makes their lives a bit easier in tough times, you’ll reap the benefits of being seen as a beacon in a dark forest. Continuous marketing conveys staying power and provides a foundation you can springboard off once things start to improve. Those who leave the public’s eye during tough times have a much harder time reestablishing themselves during better times.

Think of your marketing as a workout routine. To be effective, it’s got to be structured, ongoing, and frequent enough to make a difference. Years of building brand awareness, name recognition, and member loyalty can quickly be eroded by not placing that ad, not sending promotional material, not sponsoring that event, or not getting your name in the news. Stopping your marketing is like stopping your workout routine: you lose a lot of strength, flexibility, and stamina in a very short time. And sometimes you can’t regain it or you can’t regain it quickly enough. Stay in shape so you’ll be ready for the marathon when things get better. No matter what happens, keep marketing.

Don’t stop innovating: Another common mistake credit unions make in tough times is to reduce their innovation. “This isn’t the time to enter that new market, improve that product, or develop that service—we better wait until things get better” is a typical comment overheard in executive suites. But innovation lies at the heart of navigating your credit union successfully through the rough waters of tough times. It’ll be creative, innovative ideas that solve real problems for real people that will make the difference between credit unions that do well and those that don’t.

In tough times, credit unions often find that what they've always done doesn't seem to be working as well anymore. Instead of doing more of what you've always done, try doing more of what you've never done. Use "what if" thinking: what if we could... what if our members could ... what if we no longer ... "What if" thinking stretches the mind and reaches the soul. It can lead to greater imagination and inspiration which can lead to new markets, new products, new services, new approaches—which just may be the thing others will need and respond to. Tough times are not the times to pull in the turtle's shell; it's time to stretch out, look around, and develop something better. No matter what happens, keep innovating.

Don't neglect employee morale: No single person can improve the situation for your credit union alone in tough times; you need the combined efforts of all your employees. You need them to believe in you and your credit union more than ever and to be willing to harder and more productively than ever before. This is not the time to shake their world anymore than it's already been shaken by their own experience in a poor economy. They have their own problems to face: possibly a spouse has been laid off or they're struggling to make ends meet themselves or they've lost a significant portion of their savings. Coming to work should not add even more stress and anxiety to your employees' lives.

Find ways to appeal to your employees' desire for reliability, safety, security, and peace of mind. Be a haven where they feel important, needed, respected, and protected. This is a case where "give and you shall receive" is true. Prove to your employees that you'll stick by them in thick or thin and they'll do the same for you.

People and organizations can make one of two decisions in tough times: hand over their future to fate or take charge of their own future. The unsuccessful ones will be heard saying things such as "There's nothing we can do about it," "Let's wait and see," or "We can't expect much right now." The successful ones say things such as "What else can we do? What other path can we take? How can be make things happen for ourselves and our members?" It's a different mindset and one that only comes from people who feel closely connected and deeply committed to their credit union. No matter what happens, build employee morale.

Marketing, innovation, and employee morale are three essential elements of building business in tough times. You may have to get creative in the way you do these things because of your own reduced resources but if you want your credit union to be successful in spite of tough times, you must do them. Market with passion and focus, innovate with energy and enthusiasm, and build employee morale with heart and conviction. If you do, your credit union will do more than survive tough times; it'll thrive as a result of them.