Survival Tip for Managing During an Economic Downturn: Advertise

Historically, many businesses reduce advertising and promotional expenditures rather than slash fixed costs during hard times. However, studies have shown that those maintaining or increasing ad outlays during slowdowns wind up outselling rivals who cut back. Savvy marketers can boost sales and market share, even if the industry in which they compete is in a slump, by focusing on short-term tactical techniques such as sales and price promotions (including cents-off coupons and rebates), and tailoring advertising in response to the shaky economic climate.

Survival Guidelines:

• Monitor your competitors’ advertising. If they’re cutting down, seriously consider increasing your ad budget and hitting harder. This will provide a great opportunity to capture -- and retain -- a larger share of the market.

• Avoid gimmicky and clever advertising. Center your message on the benefits and advantages of your product or service -- such as convenience or energy efficiency -- rather than making emotional appeals.

• Use direct-response advertising techniques. Use hard-hitting copy with simple but convincing language, a special offer the prospect will find hard to pass up, and a strong call to action.

• Avoid ads that look like ads. Make them appear to be vital messages to the consumer offering them the most for their money.

• Stress quality and durability. Consumers are looking for as much value as possible in a weak economy. But don't actually use the words "quality" and durability," as they have degenerated into advertising cliches. Show, don't tell.

• Study advertising research thoroughly. Know which page positions pull best, which copy factors work effectively, which colors do the job, and so on. Spend every ad dollar carefully.

• Re-examine your marketing mix to ensure it is the most cost effective.

• Keep in mind that perceptions play a major role in a week economy. If people believe money is going to be tight, they will behave as if it is -- even if they have money to spend. Your ads have to convince prospective customers that your product or service is a wise investment.
From e-newsletters...

**SBA Offers New Online Training for Exporters**

Last week, SBA announced the launch of a new online course designed to help small businesses explore exporting opportunities in international markets. *Global Enterprise: A Primer on Exporting* is a free, self-paced course that provides practical guidance on exploring international markets. The new course is available from the Small Business Administration's training Web site at www.sba.gov/training. To access the course, click on "Free Online Courses," and then select the first course listed under International Trade. The course is a comprehensive training module using script and audio to provide fundamental information about selling in global markets. It illustrates how to identify international markets, develop an export strategy, make and receive international payments, and finance trade operations, and it offers guidance on determining a firm's readiness and suitability for exporting. The Exporting Primer includes more than 45 direct links to many key international resources. To access the SBA press release announcing the new online course, click here. [ASBDC Network Connection, October 24, 2008]

**SBA has a Small Business Blog**

SBA's Office of Advocacy has launched a new small business blog focusing on regulatory issues, small business research, state regulatory activity, and more. "The Small Business Watchdog" can be found at http://weblog.sba.gov/blog-advo. Advocacy encourages all small business owners and other stakeholders to check out the Small Business Watchdog and let us know how we are doing by leaving a comment. We welcome the entire small business community to join the conversation. For more information, visit The Small Business Watchdog at http://weblog.sba.gov/blog-advo. [Advocacy Press, SBA, October 31, 2008]

**Exits Becoming Scarce on VC Highway**

Many later-stage venture-backed companies are choosing to delay an IPO exit until market conditions improve. Mark Heesen, president of NVCA, believes that if this situation continues into 2009, entrepreneurs can expect capital to become more difficult to secure. Venture firms would have to spend more capital and other resources maintaining the late-stage companies in their portfolio still waiting for an exit. The venture industry appears to be continuing a trend toward a smaller number of funds, but those funds that remain will be larger on average than they are now. Investments, however, are not yet showing signs of decline. Venture firms invested $7.1 billion in the third quarter, about the same as the third quarter of 2007. Seed- and early-stage companies continued to represent fewer than forty percent of total deals. For more information about the IPO drought, visit: http://www.nvca.org/pdf/Q308ExitpollFINAL.pdf [SSTI Weekly Digest, October 22, 2008]
WHAT'S NEW THIS WEEK?

Each of the focus areas listed in this section contain descriptions of activities relating to SBDC’s key objectives and are the basis of the metrics by which our Strategic Plan implementation is measured and assessed.

SPONSORS, HOST INSTITUTIONS, PARTNERS & ALLIANCES

The Albany SBDC Director serves on the School of Business’s Advisory Council, which is a who’s who of the local business community. Serving on the Council has increased the SBDC’s regional visibility and involvement with planning the University’s entrepreneurial curriculum. The Council has the sponsorship of student internship opportunities within the Center and the regular use of client companies as “living cases” for business classes. The Director has also been assigned to various special focus membership and internship subcommittees of the Council.

The MV Chamber of Commerce Sub Committee for Downtown Utica focuses on seven different commercial districts in the extended area of downtown. Business Advisor Sam Russo is participating in subcommittee’s review of the feasibility of creating a downtown business incubator in property currently owned by the City of Utica. Mr. Russo is spear heading the effort with David Depperman, SCORE.

Oswego SBDC Outreach Business Advisors Larry Perras and John Halleron participated in the Annual Youth Employment Summit sponsored by The Workforce Development Board on October 10th. Students from nine school districts and BOCES gathered to learn about employment opportunities and college prep. Larry and John offered entrepreneurship as a viable alternative. It was later discovered that 15% of the group polled rated Larry and John’s presentation as “the best” presentation of the Summit.

PROGRAM DEVELOPMENT: PRODUCTS & SERVICES

On Saturday, September 27th, Business Advisor Steve Amell participated in the 2008 Entrepreneur Forum held at the Norwich Campus of SUNY Morrisville. The event featured an Entrepreneur Panel breakfast, remarks from the Director of the Business Training Institute in Utica, and 11 business workshops covering topics of interest to entrepreneurs. Steve presented two workshops on “Developing Financial Projections” to approximately 40 people. There was a lot of interest in the topic, and Martha Ryan, Event Coordinator, suggested that the SBDC might consider providing further training in the Norwich area. Overall the program was well run and the topics were informative. Approximately 75 people attended the full day event. Several current SBDC clients were in attendance but the majority of attendees were at the interest stage of forming a business. Current clients at the event were positive about the services they have received from the SBDC.

The Albany SBDC Director and Business Advisors continue to guest lecture for several undergraduate business classes at the University at Albany, Hudson Valley Community College, and Schenectady County Community College. SBDC presence at these venues strengthens awareness of SBDC and SBA programs to future entrepreneurs.

The Oswego Outreach held a Bankers’ Roundtable on October 9th. Approximately 25 area lenders attended the event, which featured a continental breakfast and a 1.5 hour program. Virginia Smith from the Syracuse District Office updated all present on SBA initiatives and loan programs; Senior Business Advisor Larry Perras demonstrated SBDC research capabilities and outlined SBDC can do and can’t do; and Business Advisor John Halleron outlined the business planning process followed with clients, the expected results contingent upon client effort, and the relationship enjoyed by SUNY Oswego Outreach and local banks.

MARKETING & ADVOCACY

The Farmingdale SBDC Director, Senior Business Advisor Ritu Wackett and Farmingdale State College professor Dudley Blossom were guests on the Scott Passesser “Job Line” television program. They discussed small business marketing strategies for small businesses during difficult economic times. The show ran for ½ hour and airs several times per day on the weekend. The segment aired in August and was repeated at least three weekends following the initial weekend.

In September, the Albany SBDC Veterans Business Advisor set-up and manned a trade show booth for families of the 42nd National Guard Infantry. The fair included many private sector governmental and organization that focus services on Veterans and their families. A few weeks later, the advisor did the same for retired veterans at the State Police Academy in Albany. The Police Academy fair included many private sector, government agencies, and organizations that focus services on Veterans and their families. At both events, the advisor promoted the SBA’s Patriot Express Loans for veterans and their family.

Oswego Outreach SBDC Advisors Larry Perras and John Halleron each had featured articles in The Oswego County Business Magazine edition devoted to small businesses and what it takes to succeed. Senior Advisor Larry Perras outlined “10 Factors to Business Success” while John Halleron provided information for “Can They Make It. In addition
to the featured articles, the magazine interviewed ten recently started businesses. Six out of the ten were SBDC clients.

Pace (Manhattan) SBDC Business Advisor Catalina Castaño was interviewed on NY1.com on for an October 14, 2008 article, "Expert suggests entrepreneurs turn to small banks for loans." In the article, Catalina described how small businesses can turn to micro lenders and smaller banks for credit, even when larger banks are refusing to lend. With a new business plan explaining how businesses will use the additional funding it is still possible to find credit. Go to http://www.ny1.com/Default.aspx?ArID=87245 to read and/or listen to the article.

The Stony Brook SBDC co-sponsored an informative breakfast event, entitled "Surviving the Slow Down in the Suburbs" along with WCBS 880 NewsRadio and Capital One Bank at the Crest Hollow Country Club on Tuesday, October 21. The event featured Joe Connolly, WCBS-AM & popular Wall Street Journal host, along with Irwin Kellner, Chief Economist of MarketWatch.com and Scholar of Economics at Dowling College. The event was very well attended – more than 300 small business owners actively participated in discussions on diversifying their businesses and creatively adjusting to compete in a slow economy. After the event, there was WCBS-AM on-air promotion of SBDC services.

PROFESSIONAL DEVELOPMENT & STAFF RETENTION

In October, Farmingdale SBDC Business Advisor Walter Reid participated in two meetings for inventors and interested individuals. The first one was the New York Society of Professional Inventors Meeting, which featured a lecture and discussion regarding intellectual property. In attendance were several local patent lawyers and patent agents. The following week Walter attended the Suffolk County Inventor's and Entrepreneur Club meeting, at which Jaime Herzlich, a Newsday business reporter, spoke about raising public awareness and public relations opportunities for small businesses.

SPECIAL PROJECTS

The Bronx SBDC continues to foster its relationship with The Bedford Park Merchants Association and The Norwood/Bainbridge Avenue Merchants Association. As Phase II of the HUD/HSIAC project, the center is in the process of organizing The Kingsbridge Merchants Association, and monitoring merchants in the community that received grants through the project.

ABOUT THE GAZETTE

The SPD Gazette is a brief newsletter distributed via email and posted on the Internal Web Site. It will feature a column to be titled, What's New This Week, in which the network will share best practices in strategic objectives. A series of articles in the Gazette will explain the program's statewide approach to strategic objectives in six key areas:

- Marketing
- Professional Development and Certification
- Program Development: Products and Services
- Special Projects
- Strategic Partners and Alliances
- Technology, Information and Communication

Previous SPD Gazette Issues:

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| • Issue 2  | • Issue 12 | • Issue 22 | • Issue 32 | • Issue 42 |
| • Issue 3  | • Issue 13 | • Issue 23 | • Issue 33 | • Issue 43 |
| • Issue 4  | • Issue 14 | • Issue 24 | • Issue 34 | • Issue 44 |
| • Issue 5  | • Issue 15 | • Issue 25 | • Issue 35 | • Issue 45 |
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