

# Ideal BUSINESS Ideal LIFESTYLE

Make more money, work less, and build your business around your life.

## Are You Ready For The Next Market Downturn? *(Part 2 of 2)* By Jim Augustus Armstrong

No one knows when the next recession will happen, but what we can definitely count on is that at some point we will have another one, followed by another period of growth. Up then down.

As I said in part 1, rather than try to predict exactly when we'll have another crash, or spend our lives worrying about it, I recommend the following course of action: assume that a recession could begin at any time, and build your business to weather it whenever it comes.

I can cite numerous examples of FSS members who experienced 25%, 50%, even 100% growth during the last recession. This while thousands of dealers were getting cut down in the streets. Two factors helped our members accomplish this. The first is mental, and the other tactical. In part 1 I covered the mental strategies necessary to maximize your success regardless of what the economy is doing. Now we'll examine the tactical.

### Tier-1: Recession Proof Your Business

I met with a dealer recently who owned multiple locations, with total gross revenue of over \$12 Million. Their revenue had slipped from the previous year, and their margins were eroding. They were spending some money on advertising, but were not marketing to their past customers, they had no referral generating system in place, and no sales system. I showed them specific strategies for increasing their margins, getting their gross sales up, and increasing their closed sales. This plan was based on the FSS Core 3 program, and would realistically increase their revenue by at least 10% per year, over a million dollars growth annually.

#### **Core 3 is focused sales and marketing efforts to your warm list and hot prospects.**

- The Neighborhood Advisor (past customer marketing)
- Referral Connections (generates referrals after the sale, and between purchases)
- Design Audit (selling system)

These are all systems designed to maximize your revenue from warm sources. Our members who use these strategies have added hundreds-of-thousands (or millions) of dollars to their revenue, increased their margins, and increased their average ticket size. They've also helped our members to recession-proof their businesses.

You see, when a market downturn happens, the first thing to stop working is your cold advertising. Most dealers who made it through the Great Recession couldn't have done it without their repeat and referred clients. By implementing Core 3, FSS members turbo-charge this effect.

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“The Neighborhood Advisor connects me to the community and makes me kind of a celebrity and I get recognized - even just going out to lunch. Someone stopped me at Panera today for lunch to say hello because the Home Advisor makes me more than a company or a business. [Plus I've seen] \$100,000 in ROI just from the Neighborhood Advisor.”

- Paul Gardiner

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“Core 3” is a God send... Thank you Jim. Another Blessed and beautiful day in Florida!

- John Bickerstaff

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“I hadn't been mailing out the Neighborhood Advisor before just emailing. It landed in people's mailboxes last Friday and Saturday. On Monday, I had a customer come in first thing in the morning, her job will pay for all the cost of the Neighborhood Advisor mailing for the month, plus some. We have had somebody else each day with that same newsletter each day, including somebody who didn't buy from last July but I have kept in contact with them anyway. By the next time the next recession hits, I'm figuring I will be completely recession proof :) right?!?”

- Matt Capell

As an aside, this dealer decided not to utilize my services. Too expensive. My fee was less than four-tenths of one percent of their current annual revenue. After pointing this out, and reminding him of the millions of dollars in upside, AND the dozens of case studies from FSS members who had transformed their businesses using Core 3, he still felt my fee was too risky an investment. This gentleman is a third-generation dealer, his forebears built the business which he then inherited. My suspicion is that because my recommendations were not what his father and grandfather had done, that he was simply frightened into inaction. There's a lesson here, and a warning. Whenever you're struggling in business the first place you should look for the problem is in the mirror. That's a harsh reality, but one that I've learned to embrace in my own business and life, as difficult and painful as it can be. There are many defunct dealers who ignored this reality, to their peril. But I digress...

### Referral Partnerships With Aligned Companies

When the market slumps, the total pie of people spending money on big-ticket items (like flooring) gets smaller. When your pie is shrinking, the most effective method I know to stop the shrinking is to



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get your fingers in the pies of other businesses.

Or put it this way. You've rounded up a herd of past clients, and you're nurturing, protecting and profiting from that herd by using the Core 3 strategies. Other companies—such as Realtors, designers, remodelers, and carpet cleaners, just to name a few—have also rounded up herds. By developing referral relationships with these companies, you're tapping into their herd.

Jerome Nowowiejski implemented this strategy a few years ago. He increased his revenue from less than a million to over \$1.5 million, with roughly half of it is coming from referral partners. This has helped him increase his margins from 25% to 50% across the board because such a high percentage of his business is referred to him. When the next recession hits, Jerome will not feel the effect nearly as much as a dealer relying on cold marketing to drive business.



BTW...FSS provides the done-for-you marketing program Jerome and other members have used to quickly develop referral relationships with Realtors, designers, remodelers, etc. If you're interested, call our office for info.

### Joint Marketing

You can take the referral relationship with your super-star referral partners a step further. We've had FSS members do joint marketing with designers and Realtors by sending the Neighborhood Advisor to their lists of past customers. In each issue they included a blurb about, or an article submitted by, the Realtor or designer.

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## SHOWER THOUGHTS



- “ Humans cut down birdhouses to make birdhouses.”
- “ In dreams, how can your body replicate falling from high altitudes if you've never fallen like that before?”
- “ At some point every parent puts their child down and never picks them up again.”





Most small businesses have no past-customer marketing in place.

Ironically, most of them know they should be doing something to communicate with the people who buy from them, they just don't have the time or know how to go about it. You can step in and fill this gap, provide a great service to your referral partners, and in the process generate a lot of money for your business.

Once you have the strategies in this article implemented, you'll not only make a hell of a lot more money in the short term, but you'll have the confidence of knowing that when the next market downturn happens your business is recession proof.

## FEATURED WEBINAR: *Available for a short time only!* **3 TIERS OF MARKETING**

**FLOORINGSUCCESS SYSTEMS**

Design Audit  
1 Step To Dramatically Increase Your Closed Sales

**CORE 3**

<https://featuredwebinar.com/3tiresna>

Visit the website above to view this featured webinar and learn how your fellow Flooring Success Systems members have added hundreds of thousands of dollars to their annual revenue!



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