



“Capitalizing on the Global Economic Downturn”

By Mark Denneen, CEO

It seems counter-intuitive, if not ludicrous, to view our current global economic situation as a time of opportunity. Yet this is exactly what true market leaders do. Instead of simply managing the crises at hand, they keep their attention fixed on the future. They find ways to *accelerate* investment in initiatives underpinning their continued market leadership, understanding that the biggest mistake a company can – and will – make is turning inward.

Whether marketing to consumers with reduced disposable incomes, or businesses with reduced capital and operating budgets, every company in every industry is suddenly competing for share of a smaller economic prize. In order to mitigate expected revenue and earnings declines, most companies are cutting back by streamlining operating expenses, reducing discretionary spend, and deferring capital investments. But if this is all you do, you’re making a big mistake.

Best-in-class companies exploit the economic downturn to create strategic advantages. Companies with strong balance sheets and share leadership positions have unprecedented opportunities to acquire weaker competitors, for example. They can also disrupt channels through vertical integration, consolidate distributor networks and capture additional shelf space by squeezing weak competitors. True market leaders exert themselves in challenging economic downturns to restructure their industries, diversify their portfolios, and acquire incremental assets for future growth. These opportunities are available in mature markets like the United States, and plentiful in emerging markets where the global economic downturn is expected to have lingering impact.

Are you and your leadership team merely managing the economic crisis, or are you identifying meaningful ways to leverage your position and grow your enterprise during this period of opportunity? Bear in mind that your nearest competitor may be heeding this call to action.
