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**Strategic Planning
Sales Development
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**Research
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BOYCOTT THE U.S. SLOWDOWN

While there are pockets within the U.S. construction equipment industry that will still do well in 2008, many other segments are exposed to and will experience the negative effects of the slowing economy.

This continues to be especially true if tied heavily to new home construction. For example, in Fort Wayne, Indiana (population 350,000), within the last year the number of local custom home builders has dropped from 35 to 5.

So how does a manufacturer boycott the slowdown? There are opportunities and strategies that will actually help many manufacturers grow during this time. However, it takes commitment, an action plan and precision execution.

Here are several strategies that can work in a down market:

- Target Canada
- Expand into niche, profitable markets
- Offer the best financing package
- Tie marketing to street-level sales
- Expand internationally

Hot Canada

Close by and spending more on infrastructure development in the next few years than the past several years combined is Canada. Also, add the exploding Oil Sands development in Alberta and the 2010 Winter Olympics in Vancouver. Canada has escaped the U.S. mortgage fiasco since its government controls prevent such situations. As a result, housing values are still escalating and so is the volume of new home construction.

The other good news is that generally the Canadian economic cycle follows that of the U.S. in about 3 years; however tradition may be broken since the U.S. financial industry helped kick-start the natural cycle of the U.S. economy.



Tap Into Niche Markets

Not all is doom and gloom. U.S. niche markets that include road building, bridge reconstruction, mining, aggregate, oil and gas pipeline, utility, municipality and transportation continue to hold strong. The market size may be smaller than general construction and you have to work harder to be successful, but they are generating strong returns because these markets generally value innovation, premium quality equipment and strong support. And, they are typically willing to pay for it.

Stand Out With The Best Financing

Especially with commodity equipment, the tougher economic conditions will make it even harder for many contractors to justify and pay for new equipment. With similar equipment from different brands, many contractors will quickly lean more toward the manufacturer who offers the most advantageous financing. So sharpen those pencils and push for leading edge versus competitive financing.

Drive Marketing Down To Street Level

The closer and more customized you can drive your marketing efforts during a downturn, the better results you will have. And, take the next step by sending interested contractors directly to the appropriate dealership or rental store closest to them. Even the right salesperson is possible as well. Corporate will lose some control, but the customer will be talking to the right salesperson within a few hours or less versus a few weeks. And, the dealers or rental stores will truly believe you have their best interest at heart. Certainly, a true win-win for all and quite economical since you can back off from some upper level, national promotion.

Tap Select International Markets

With the U.S. dollar so low, there are international markets eager for U.S. equipment, especially in Mexico, Central America, Eastern Europe, Russia and the Middle East for those companies that have focused completely or primarily on the North American market.

However, this is not a quick fix by any means and requires some serious resources and personnel to drive the process. But there are ways to electronically sell some types of equipment and enter some markets faster than others. Either way, an international sales thrust makes sense for the long-term.

There are many ways to compete and thrive during a slowdown, and these are just a handful of them. We always keep in mind that companies can grow in these times by starting with a positive, open-minded approach that leads to new ideas.



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