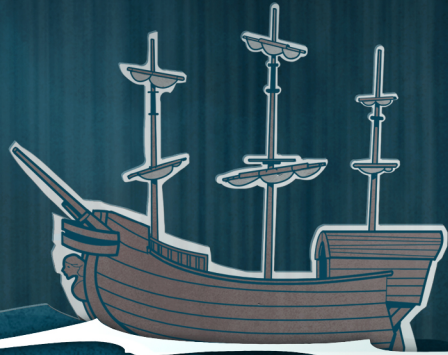




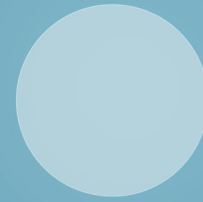
# Navigate your sales team through the recession

leadiQ

In 2021, an unprecedented amount of money surged into the software market, submerging perilous obstacles and boosting businesses.



But now, as capital recedes, dangers appear.



DEVALUATION

LAYOFFS

BANKRUPTCY

Here's what happened...

# The difficulty

Only a few years ago, there was strong GDP growth, low inflation, and record low unemployment.

## But then...

COVID ended the longest economic expansion on record.

State and Local regulators shut down the economy and issued stay-at-home orders for vast swaths of the population.

## Consequently...

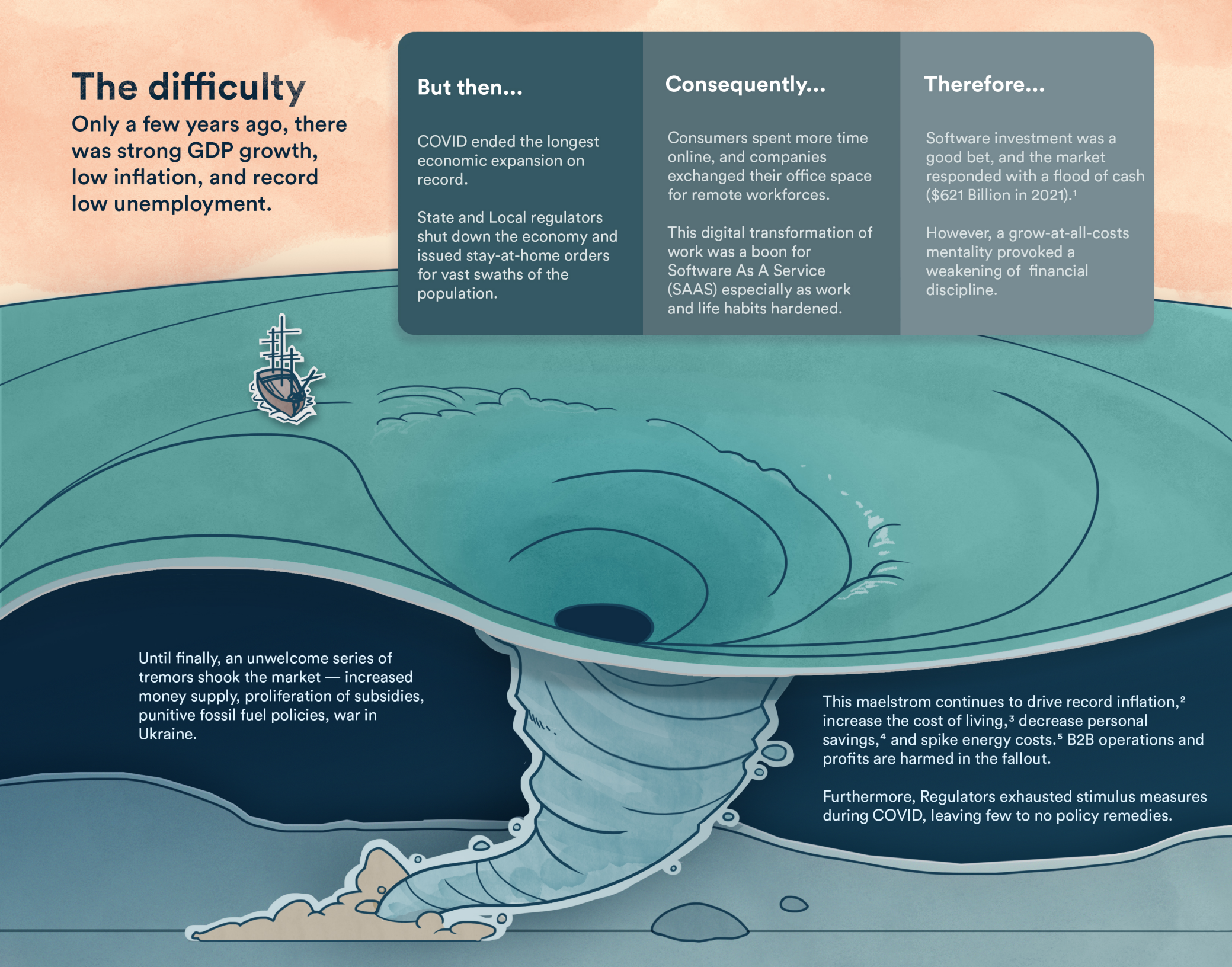
Consumers spent more time online, and companies exchanged their office space for remote workforces.

This digital transformation of work was a boon for Software As A Service (SAAS) especially as work and life habits hardened.

## Therefore...

Software investment was a good bet, and the market responded with a flood of cash (\$621 Billion in 2021).<sup>1</sup>

However, a grow-at-all-costs mentality provoked a weakening of financial discipline.



Until finally, an unwelcome series of tremors shook the market — increased money supply, proliferation of subsidies, punitive fossil fuel policies, war in Ukraine.

This maelstrom continues to drive record inflation,<sup>2</sup> increase the cost of living,<sup>3</sup> decrease personal savings,<sup>4</sup> and spike energy costs.<sup>5</sup> B2B operations and profits are harmed in the fallout.

Furthermore, Regulators exhausted stimulus measures during COVID, leaving few to no policy remedies.



## Should you panic? Maybe.

Fintech company Klarna was valued at \$45.6 billion in 2021. One year later, thanks to credit defaults from cash-strapped customers and a rise in operating costs, Klarna's value fell to \$6.5 billion.<sup>6</sup> That 85% drop was an alarm bell for investors. Silicon Valley investment firm, Y Combinator, began advising startups to "plan for the worst."<sup>7</sup> Sequoia Capital, another influential venture capital firm, urged businesses to cut costs and preserve cash to survive.<sup>8</sup>

With money low, some companies are scraping the bottom. Others will run aground before the recession is over.

But we've seen it before. Harvard Business Review scrutinized the recessions from the 1980s, 1990s, and 2000s and showed that difficult times separate the wheat from the chaff.

85% of growth leaders topple during a downturn. 17% of companies don't survive. 80% do not return to pre-recession growth rates three months after a recession, and 40% do not return to previous absolute sales and profit levels.<sup>9</sup>

Knowing the high stakes of failure, companies are pivoting fast from yesterday's business model, giving sales departments whiplash.

**What next?**

The background is a stylized illustration of a ship's deck. On the left, a man in a dark blue military-style uniform with yellow trim and a white waistcoat salutes with his right hand. On the right, a man in a dark blue pirate-style uniform with a large black hat looks through a telescope. In the foreground, there are two wooden barrels. The text is overlaid on the left side of the image.

## Protect your department

The current recession calls for all hands on deck. If you're a sales leader, your request for tools, time, or money will most likely need to align with a broader recession strategy.

The most common strategies fall into three simple categories:

1. Keep customers.
2. Streamline operations and processes.
3. Find new prospects.

You may need to appeal to one or all of these approaches.

# Stay afloat

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## Keep Customers

Your company wants to end the recession with at least as much money it started. That means increased financial discipline. Debt can slow progress and sink your business.

It's far better to stay buoyant by retaining customers. Current customers are famously 5x less expensive to keep than new ones are to gain. Consequently, investment dollars last longer when you increase customer loyalty (you also get more referrals and cross-selling).

Churn levels are closely tied to valuation. For instance, strong companies like Box trade at 3x their annual revenue, but Slack and Zoom trade at 40x their yearly income.

Why? Because they have less than 1% churn.<sup>10</sup> Predictable repeat business secures a company's long-term financial health.

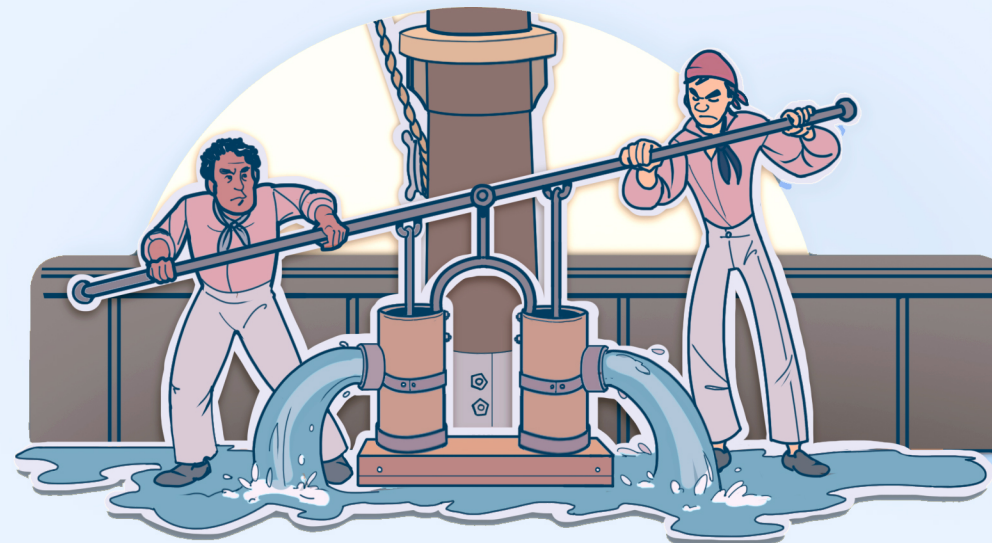




## Plug the leaks

Customer retention isn't Customer Service's exclusive problem. Sales can help plug customer leaks by keeping in touch with contacts for cross-selling or up-selling opportunities.

To manage these connections, consider a platform like LeadIQ that sends alerts when executive sponsors change jobs or positions. Find fresh stakeholders to stabilize current accounts. Pursue new contracts with previous sponsors. Constant diligence is required to keep your company buoyant.



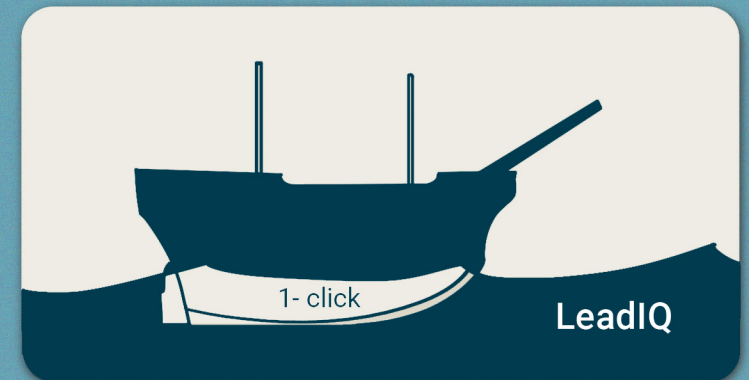
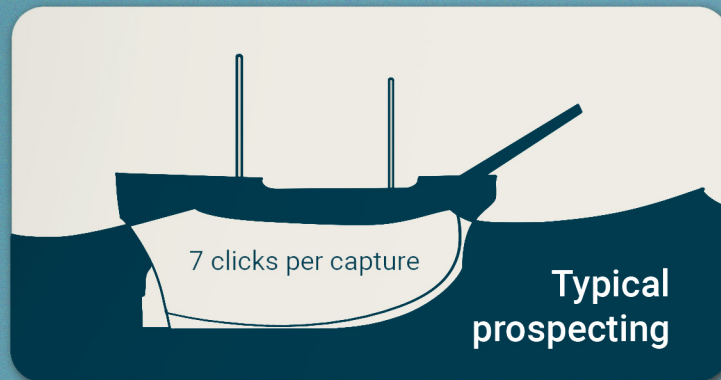
# Lighten the load



## Streamline operations and procedures

With fewer dollars to go around, you need to streamline your processes. Think of it like throwing out unnecessary cargo to lift your company and reduce drag. Even small changes can yield big results. Bain Capital encourages sales teams to navigate a recession by "sweating the details" of daily execution. They recommend trimming the number of administrative tasks so Sellers can spend more time with customers.<sup>11</sup>

Look for signs of operational bloat. For example, the average sales team uses nine applications to book a meeting? Great Blackbeard's Ghost! That's a lot. A platform like LeadIQ can help you trim the fat to efficiently capture ideal customer profiles, connect applications to refresh data, and prioritize actions based on sales triggers. Efficiency-boosts like these save money immediately but also increase profitability post-recession.





# Unfurl the Sails

## Find new prospects

You can buy time this recession by retaining customers and streamlining operations, but sailing out of the shallows means you must harness new customers. In good times, cold email rates succeed less than 1% of the time and cold calls break through only 3% of the time. What are the success rates in a contracting economy where businesses have less money to spend? (worse).

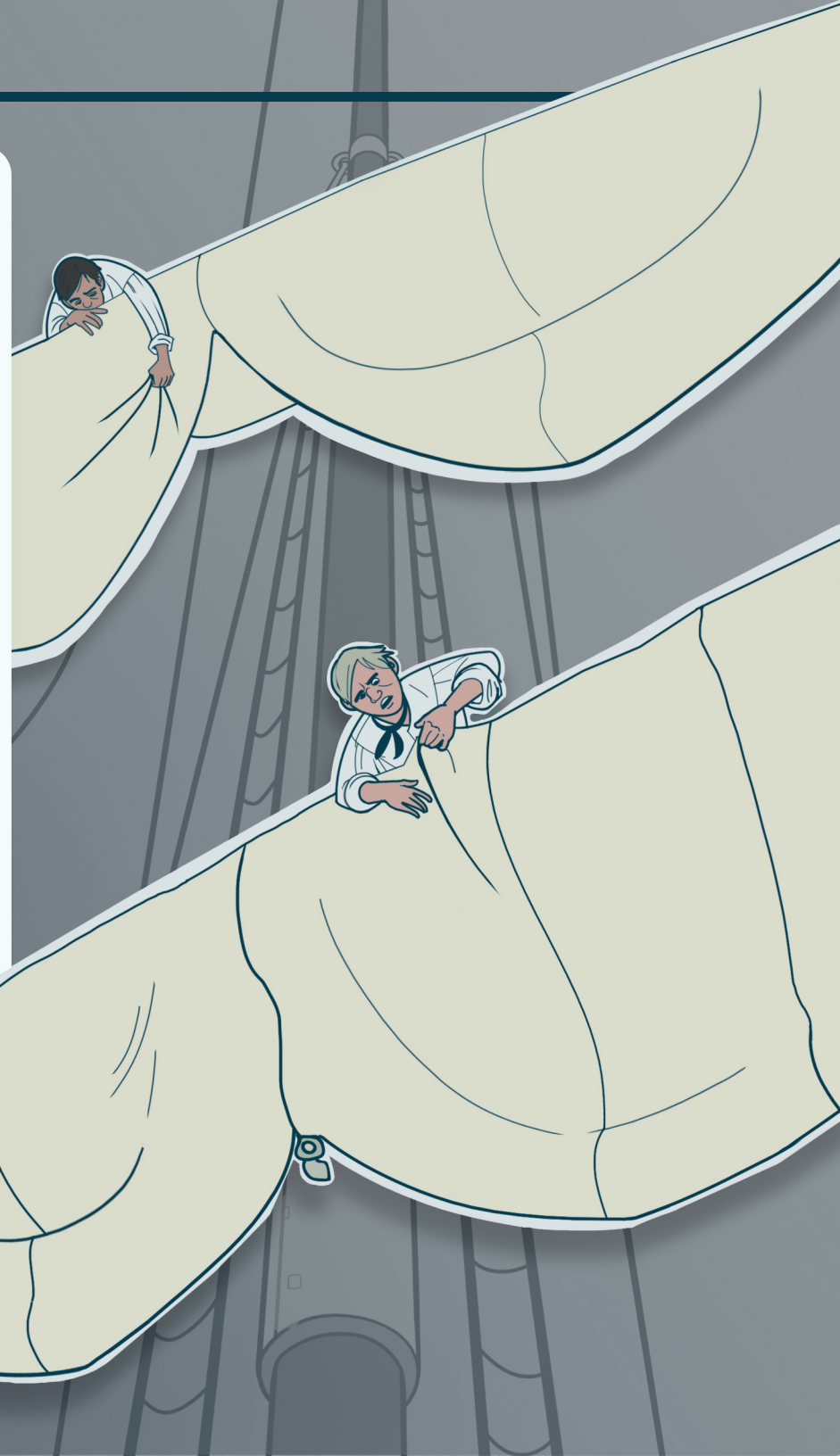
**So is there hope?**

**Yes — The hope is found in strategic personalization.**

Mckinsey says, "companies that excel at personalization drive 40% more revenue than average players".

Furthermore, "Non-personalized communications pose a business risk in a low-loyalty environment" (our's).<sup>12</sup>

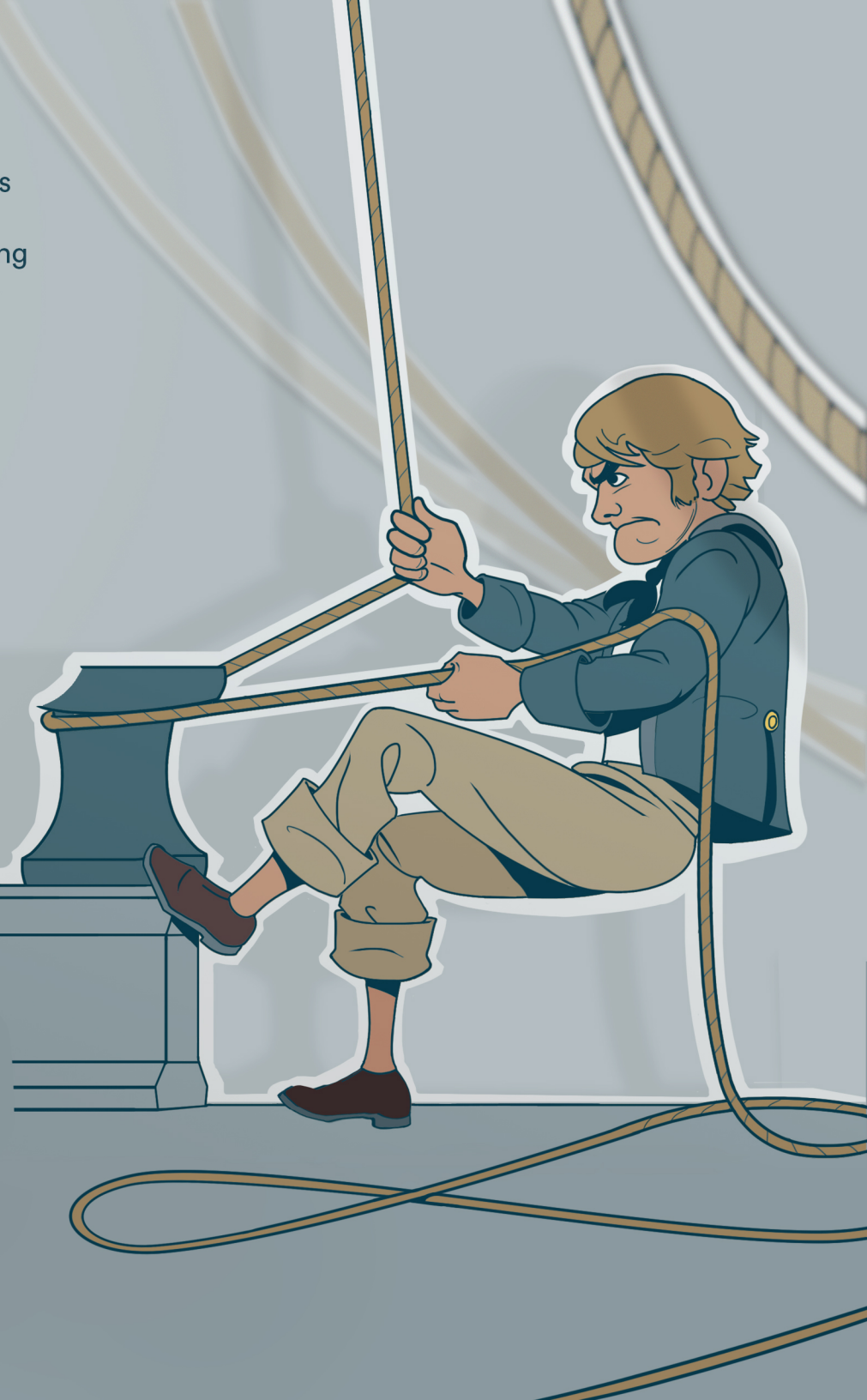
Forrester agrees, claiming that personalization is "no longer a nice to have, but a necessity for B2B."<sup>13</sup>



## Get moving

Effective prospecting requires you to send the right messages to the right prospect at the right time. So, investigate opportunities on LinkedIn, compose a message acknowledging the prospect's uniqueness, then smoothly transition from the prospect to your value proposition. Finally, end with a CTA. Personalization like this provokes better responses but takes more time and writing expertise. There are two paths to this type of personalization:

1. Narrow the number of prospects you pursue, and take the time to craft personalized outreach that breaks through the noise and fills your sales funnel.
2. Use LeadIQ's patented technology Scribe to generate three personal, well-written first drafts that align with your value prop — in just a click. Yes, we're talking personalization at scale and emails so good they get job offers (that's hilariously true).



**Move your company into deeper waters. Personalization is the proven way to hoist the sales!**

(See what we did there?)

# Summary



Navigate your sales team through this recession with a renewed focus on fundamentals. Remember to keep afloat, lighten the load, and unfurl the SALES (did it again)! LeadIQ can help.

**Bon Voyage!**

Peruse our G2Crowd reviews to see how customers find value with LeadIQ, or schedule a demo to see it in action.



[Book a demo](#)

## Notes

<sup>1</sup>Riley, Duncan. “CB Insights: Venture Capital Funding Smashed Every Conceivable Record in 2021.” SiliconANGLE, 12 Jan. 2022, <https://siliconangle.com/2022/01/12/cb-insights-venture-capital-funding-smashed-every-conceivable-record-2021/>.

<sup>2</sup>“Current US Inflation Rates: 2000-2022: US Inflation Calculator.” US Inflation Calculator |, 13 Sept. 2022, <https://www.usinflationcalculator.com/inflation/current-inflation-rates/>.

<sup>3</sup>Rugaber, Christopher. “U.S. Inflation at 9.1 Percent, a Record High.” PBS, Public Broadcasting Service, 13 July 2022, <https://www.pbs.org/newshour/economy/u-s-inflation-at-9-1-percent-a-record-high>.

<sup>4</sup>Richter, Felix. “Everyday Prices Are Surging. What Effect Does That Have on Personal Savings in the US?” World Economic Forum, 23 June 2022, <https://www.weforum.org/agenda/2022/06/inflation-affecting-savings-americans/>.

<sup>5</sup>Guenette, Justin Damien, and Jeetendra Khadan. “The Energy Shock Could Sap Global Growth for Years.” World Bank Blogs, <https://blogs.worldbank.org/developmenttalk/energy-shock-could-sap-global-growth-years>.

<sup>6</sup>Browne, Ryan. “Klarna Valuation Plunges 85% to \$6.7 Billion as 'Buy Now, Pay Later' Hype Fades.” CNBC, CNBC, 11 July 2022, <https://www.cnbc.com/2022/07/11/klarna-valuation-plunges-85percent-as-buy-now-pay-later-hype-fades.html>.

<sup>7</sup>Singh, Manish. “YC Advises Founders to 'Plan for the Worst' amid Market Teardown.” TechCrunch, 19 May 2022, <https://techcrunch.com/2022/05/19/yc-advises-founders-to-plan-for-the-worst>.

<sup>8</sup>Rooney, Kate. “Sequoia Coaches Start-Ups to Cut Costs or Face a 'Death Spiral' amid Stock Market Slump, Bleak Economic Backdrop.” CNBC, CNBC, 26 May 2022, <https://www.cnbc.com/2022/05/26/sequoia-coaches-start-ups-to-cut-costs-or-face-a-death-spiral-.html>.

<sup>9</sup>Gulati, Ranjay, et al. “Roaring out of Recession.” Harvard Business Review, 6 Oct. 2014, <https://hbr.org/2010/03/roaring-out-of-recession>.

<sup>10</sup>Dong, Kent. “Customer Success: The Best Strategy to Reduce Churn.” Involve.ai, Involve.ai, 13 Apr. 2022, <https://www.involve.ai/post/customer-success-the-best-strategy-to-reduce-churn>.

<sup>11</sup>Kovac, Mark, and Jamie Cleghorn. “Is Your Sales Organization Ready for a Recession?” Bain, 4 Aug. 2022, <https://www.bain.com/insights/is-your-sales-organization-ready-for-a-recession/>.

<sup>12</sup>Nielsen, Lars Engel, et al. “Unlocking the Value of Personalization at Scale for Operators.” McKinsey & Company, McKinsey & Company, 4 Mar. 2022, <https://www.mckinsey.com/industries/technology-media-and-telecommunications/our-insights/unlocking-the-value-of-personalization-at-scale-for-operators>.

<sup>13</sup>Johnson, Jessie. “Putting B2B Personalization in Context.” Forrester, 6 July 2021, <https://www.forrester.com/blogs/putting-b2b-personalization-in-context/>.