

GIFTS THAT KEEP GIVING

The NSA Foundation is at the ready to help those in need

OUT OF OFFICE

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IT COULD HAPPEN TO YOU!

None of us are immune from facing a lawsuit. Are you ready?

MARCH/APRIL 2019

Speaker

THE ART AND BUSINESS OF PROFESSIONAL SPEAKING

Are You Recession- Proof?

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Recession-Proof Your Speaking Business

SEVEN STRATEGIES YOU NEED TO IMPLEMENT NOW!

Yes, it's coming, whether you like it or not. At some point this economy is going to shift. Depending on which economist you follow, it looks like a downturn will happen somewhere between 2019 and 2020. Now before you put this article down because it's beginning to sound like doomsday, know that experiencing a downshift in the economy is a very normal part of being in business.

Over the course of your business lifetime, and long before then, the economy has been going up and down. The market has been hot, cold, ripe to do business in, and a serious challenge. That is just the way it is. What goes up must come down, and what comes down will go up.

But a downshift in the economy doesn't have to mean a downshift in your business. There are steps you can take now, things you need to be doing in your speaking business to get prepared.

We will share all of those in this article, as well as answer your biggest questions about what you need to do to not only survive the next economic downturn, but to position your speaking business for long-term success.



1

What do we need to know to be prepared?

The most important thing is to understand your finances. Get a handle on how much money you make and spend (personally and for your business). Here's a simple strategy:

Take your current annual income and then pick a number of how much you think your business will decrease during a recession—40 percent is a good assumption. Multiply that number by your combined state and federal tax percentage rates; this determines your total take-home income.

Next, know what you spend. Don't guess. If you don't already track your spending, look at your credit card bills plus your regular bills like mortgage and car payments ... everything. Then look at your business expenses such as office supplies, marketing, and travel. Assume that your business spending will decrease during a recession, so take the business portion of your spending and decrease that by the percentage you chose for lost income. Then add 15 percent to the total number for emergencies. Even in a short recession, it will probably take two years to get back to earning what you were pre-recession, so whatever your total spending number is, double it. Here's some simple math:

Annual income pre-recession: \$120,000

Annual income with a 40% recession decrease:

\$72,000

Estimated adjusted state and federal tax at 28%:

\$20,160

TOTAL TAKE HOME INCOME DURING

A RECESSION: \$51,840 X 2 = \$103,680

Annual personal spending = \$5,000 per month or

\$60,000 annually

Annual business spending = \$3,000 per month or

\$36,000 annually

Annual business spending, 40% decrease during

recession = \$21,600

15% emergency cushion = \$12,240

TOTAL SPENDING DURING

A RECESSION: \$93,840 X 2 = \$187,680

TOTAL CASH NEEDED TO WEATHER

A RECESSION: \$84,000

Getting a handle on your finances by learning what you make, what you spend, and how much cash you will need to maintain your lifestyle during a recession allows you to prepare now so you can minimize worry later.

2

What actions should we be taking?


Once you have a handle on your finances, it's time to act and strengthen your financial position. Here are four simple, but powerful, strategies:

Create your cash cushion. Based on the formula above, if your projected income is lower than your projected expenses, you need to start saving cash now. If you need to sell some investments to free up cash, plan your strategy now. The last thing you want to do is sell investments during a recession. Remember these three words: Cash is king.

Reduce debt. Pay off your credit cards—and think twice before taking on new debt.

Get frugal. Start now to look for ways to save money, reduce your expenses, and negotiate better deals. For example, sometimes all it takes is a phone call to reduce your cell phone, television, and internet bills. Think before you spend.

Increase sales. During a recession, you'll need to increase the number of qualified leads in your sales pipeline. It's likely that budgets will be lower, clients will cancel conferences at the last minute, decisions will be pushed out, and you'll receive many more rejections, so make sure you have realistic prospects in your pipeline. Whatever your sales strategy is today, get ready to double it. If you don't have a sales strategy, keep reading this article.



Top speakers research the market, their clients, and their clients' industries, and they ensure their speaking topics are relevant.

3

What did the top speakers do during the last recession to survive?

Top speakers continued four core activities—and note “continued” rather than started, because these activities are what made them top speakers.

Consistently sell. How do you spend your time? Do you spend an hour or more per day on social media? Instead, take that hour and make six phone calls to past clients, referrals, or key contacts in industries where your message provides value. Six phone calls per day times 48 weeks is 1,440 sales calls per year. Yes. That is what it takes to succeed. Getting booked and staying booked in any economic environment is directly connected to how consistently you sell.

Stay relevant. The top speakers research the market, their clients, and their clients' industries, and they ensure

their speaking topics are relevant. Understand that in a recession, your longtime successful keynote just won't be good enough to keep your calendar full. Stay within your area of expertise, but consider adjusting your titles and content to speak to the real-time issues your audience is experiencing.

Be flexible with fees. What? Yes. Even during good times, top speakers adjust their fee for a good reason. If it's an association audience where attendees fit the profile of who hires the speaker, then a lower fee can be looked at in another way: You're getting paid to market yourself. During a recession, you cannot afford to be stubborn. Take the gig. Do an incredible job. Because doing an incredible job onstage is the only way you'll get referrals and offers for more business.

Invest in your business. During downtimes, it's easy to look at your expenses and slash. Top speakers invest in growing their businesses, always. In fact, during a recession, you might be able to negotiate a better rate with vendors. Plus, investing in your business during a recession can even help differentiate you from competitors. For example, you might invest in online advertising during a recession because it's likely rates will be lower, and your competition might have cut spending, which means you have a chance to stand out at a lower cost. However, be cautious. Determine your return on investment and strive not to take on debt.

4

Does my business strategy need to change during a recession?

Yes, this is a great time to analyze the strengths of your business (great reputation, strong relationships with clients) and come clean on your challenges (wrong team, no marketing), then act to solidify your strengths and shore up your weaknesses.

Also, get your business balanced, make sure you are not too dependent on any one thing (clients, bureaus, staff) that has too much control over your business. You may need different streams of income and/or different markets, delivery methods, or clients.

Start looking now at the industries in which you speak. Are they more vulnerable to a recession? No matter what this economy does, there will always be industries that will be hit earlier and harder and other industries that continue to thrive.

Get focused. Get clear on whom you serve, what you offer, and what differentiates you in the marketplace. Two of the biggest challenges you face in a shifting economy are fear and envy: fear that you should be doing something else, and envy that your competitor is doing something you should be doing. Chasing shiny objects and doing work that is not in your wheelhouse will cost you. The clearer you are on your business strategy, the better litmus test you have to make decisions on where to spend your time, your money, and your energy.

Pick up the phone, send emails, commit an hour or more each day to making calls and following up.

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How can I continue to build my sales funnel and stay visible with clients?

The only way to continue to build your sales funnel is to continue to build your sales funnel. There is no sexy answer or magic bullet. It's hard work. Pick up the phone, send emails, commit an hour or more each day to making calls and following up. Ask your speaker friends for referrals, work your past client relationships, invest in building your network, and make calls to associations. In any economy, but especially in a recession, you need a strong, consistent sales strategy.

To stay visible, you need to add value. Ask yourself how you can add value to your client and prospect relationships. Invite them to webinars, send relevant articles, refer them business, or find ways to partner with them for mutual benefit. Now is a great time to review your LinkedIn profile, get better at using video, and build a bank of relevant content you can share in all forms of media.

You need a strong strategy that combines both sales and marketing. This is a great time to sit down and really create your prospect list, those 100 clients for whom you would love to speak. Then determine how you are going to engage with them, consistently, over time. Creating a follow-up system that ensures you have eight to 10 touchpoints for each prospect will keep you selling and highly visible. Just make sure that when reaching out to prospects you think about adding value as often as you think about getting the gig. Then take action, commit time every day—yes, every day—to selling. Your number of booked gigs and your ability to keep your speaking fee in a desirable range are in direct proportion to how much time and energy you spend on marketing and sales.



6

I've been thinking about different streams of income to replace keynoting, should the economy take a dive. I'd like to learn about options out there, particularly online options that will bring in residual revenue.

There are numerous learning management systems and video-hosting platforms. To find the best, ask on forums like NSA's Facebook page. Invest the time to learn from others who are making it work, which will shorten your learning curve and save you time and money.

If you want alternative revenue models, then you need to start immediately. For example, it will take you at least a month to select a platform and learn how to use it. It may take many months to create your content. If you're counting on alternative revenue streams, you need to ensure everything is tested and working before the recession hits.

Also, think about a short-term and long-term strategy. An online platform is a great long-term strategy for alternative revenue, but find out about some short-term, quick-turn options. For example, start a six-week course via your NSA Zoom account, or even do a series of recorded webinars you could package and sell. Leverage your existing assets to create new revenue.



7

What is the optimistic view? Do I have to fear the recession?

To be blunt, there is no optimistic view. Whether it happens in 2019 or 2020, a recession is coming. Most experts agree that a recession likely would have already started in 2018 if it were not for the tax cuts that spurred spending. But that was one-time use spending, and tax cuts most likely won't happen again.

The good news is most experts agree that the next recession won't be that bad. Although it may appear to be bad during certain times, the economy will most likely rebound within 12 to 24 months. However, the recession that will hit *after* the next recession—predicted to be around 2030—could be brutal, and most experts who understand it believe that it will make 2007–2009 seem like the good old days. The “why it will happen” is the topic for another article. The good news is, America will recover because it always does. And the other good news? You don't need to fear a recession if you've planned your strategies, you're prepared with enough cash, and you're ready to thoughtfully invest time and money in sales and marketing at a time when others are in retreat.

Learning how to prepare for a recession now—the biggest key always being “cash is king,” followed closely by “never stop selling”—will allow you to get through tough economic times and possibly even thrive during them.

No matter how hard you will it, fight it, or refuse to believe it, you have no ability to stop the economy from shifting. The difference between speakers who struggle through a downturn and those who survive, and even thrive, is preparation. Don't waste your valuable energy waiting for the downturn to hit. Instead, use that time and energy to take action today. ■



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