

HOW BRANDS ARE USING TECH TO THRIVE THROUGH THE NEXT RECESSION

By Jeremy Knauff | Aug 28, 2019



There's no denying that technology plays a critical role in running a successful business today. And not just for the kind of companies you'd typically expect. From tech giants to financial institutions all the way down to the construction industry, keeping up with new technology is no longer a luxury.

Companies are relying more heavily on technology than ever before, and as we near the next economic crash, this will become even more important. This is because technology can provide powerful leverage to survive and even thrive during challenging times.

But some brands are taking a more proactive approach by implementing new technology *ahead of the crash* to create a stronger position for themselves when it inevitably hits.

For example, Goldman Sachs announced a hiring spree for traders, but with one caveat—they must be proficient programmers.

"You are going to see us very actively in the marketplace going after this kind of talent," Adam Korn, co-head of engineering in the trading division said. "Historically, engineers were not seen as a part of the business. That's obviously changed."

The firm is focused on recruiting a workforce that can respond to the demands of trading partners seeking to automate, Korn said.



Goldman Sachs, like many other brands, is focused on hiring tech-oriented employees.

The construction industry, which tends to be slow to adopt new technology, has begun implementing robotics to perform dangerous, repetitive, or physically difficult jobs.

"Technology like this forces us to evolve how we think and do things in construction. We're building safer, smarter while also using more creativity," says Rafael Astacio, director of sales and business development for Construction Robotics. "I believe the change that we'll start to see within the next five to 10 years will be bigger than the past 50 years combined. If we start embracing tech, the floodgates will open."

It's no surprise that an industry that already struggles to find enough employees would turn to robotics to meet demand.

This isn't limited to giant brands though. Smart small business owners are taking similar steps.

WHAT DRIVES THE IMPLEMENTATION OF NEW TECH?

When the economy is strong, as it has been for many years, it's often easier to overlook new technology. The prevailing mindset is often "If it ain't broke, don't fix it."

That doesn't mean there aren't advantages to implementing new technology to improve service, performance, and efficiency during good times. In fact, this is often the best time to do so because business owners tend to have more cash and time available. The need is less immediate. Less critical. At this point, it's typically more about improvement and growth.

But when the economy slows down, as many experts are predicting in the very near future, the situation changes dramatically. At this point, new technology becomes essential for survival.

There's another critical detail most people overlook and that is once the economy slows down, many won't have the manpower, time, or financial resources to implement the new technology that they'll desperately need. In other words, it will be too late for many.

That's why being proactive is so important.

So how are some smaller brands proactively using technology to prepare for the coming crash?

PROVIDING A CONSISTENTLY POSITIVE CUSTOMER EXPERIENCE

Customers today are fickle. They expect to be able to buy with no friction, and more importantly, they expect everything to go perfectly every time.

You need to look no further than companies like Uber to see this in action. Simply pick up your mobile device, order a ride, and someone shows up. It's as simple as that.

Perhaps more important than the simplicity on the front end is the robust technology on the back end that makes it all possible.

Rather than trying to juggle all of the moving parts that come with a distributed workforce serving customers nationwide, specialized software handles it. This is more efficient and it ensures that nothing falls through the cracks.

In Uber's case, an opportunity is sent out to multiple drivers nearby, and whoever claims it first gets it. This eliminates the back and forth communication and helps to serve the customer more quickly. It also provides a way to rate drivers, track their routes, and evaluate performance, which helps to improve customer satisfaction.

This enables companies to sell their services at a larger scale with a reduced customer service staff, which can be a serious advantage when competitors have to maintain a larger workforce.

USA Mobile Drug Testing is one company that is taking a similar approach. They've spent the last several years developing and refining an app to provide similar functionality in their own industry.

While their adoption of this new technology helps their business run more efficiently and differentiate from competitors right now, its effect will be multiplied when the economy slows down. At that point, they, like every company, will need every advantage they can find.



Collectors conduct testing on site, nationwide, 24/7, making technology an essential part of USA Mobile Drug Testing's business.

USAMDT's CEO, David Bell, explains "When the economy begins to slow down again, as all signs indicate that it will, this will be a powerful way to differentiate us from our competitors while improving our efficiency and profit margins."

In a highly-fragmented industry, where most of their competitors are small local businesses, this app puts them in an entirely different league.

Companies that are required to follow DOT regulations often have employees who travel long distances as part of their job. When they're involved in an accident, they're required to submit to a drug and alcohol test within a certain period of time. This can put the business owner in a tough spot because they have to find a drug testing company outside their area, often outside of normal business hours.

"When a customer can order a drug test anywhere in the country, 24/7, just as easily as they can order a pizza, it's a game-changer. Especially when you consider how difficult the process can be when someone needs testing outside of their own city or outside of normal business hours. The technology to ensure a consistently positive customer experience makes our company infinitely more valuable to customers."

Tech-based market alternatives

In other cases, technology might be used to create an alternative to a product or service that may not sell as well in a slow economy.

When the economy slows down, consumers will often delay certain types of purchases. Especially larger purchases. They try to make the most of their current assets for as long as possible. This is a logical and smart choice during periods of economic uncertainty.

Roof Maxx has solved this challenge by developing new technology to dramatically enhance the lifespan of existing asphalt shingles with the application of an eco-friendly, plant-based solution. This technology helps property owners and commercial developers delay costly roof replacements by up to 15 years by restoring a roof's flexibility and waterproofing protection.



Roof Maxx technician applying their plant-based solution to increase the lifespan of a homeowner's roof.

A property owner may not be willing or able to invest in a roof replacement even though it's necessary to protect their home or building. However, they may be willing to invest a significantly smaller amount to restore and prolong the life of their existing roof.

Data shows that asphalt shingles account for 80 percent of U.S. roofs, and approximately 7 percent of U.S. roofs are replaced every year. If even 1 percent of homeowners of single-family homes (about 15 percent of yearly replacements) took this approach instead of replacing their roof, we could avoid 2.8 million tons of landfill waste and 1.1 million metric tons of CO2 equivalents in emissions. This would be the equivalent of taking 240,000 average passenger vehicles off the road and would save \$750 million to homeowners over the average 60-year lifespan of their house.

The technology can be extra advantageous when combined with the installation of solar. “Every solar installation that involves a roof involves questions of ‘How long is my roof gonna last?’,” says Nate Anderson, owner of the first Roof Maxx dealership in the Grand Junction, Fruita/Western Slope region of Colorado on April 1, 2019. “Then the next question is ‘How would I put solar on my roof when I would need a new roof in the next five years?’ or whatever the number is.”

If a homeowner purchases and installs new solar but needs a new roof within a couple of years, the cost and hassle isn’t small. A typical cost for detach and reset is \$1,500-\$2,500 in addition to suddenly being without solar services during the time of the roofing repair or replacement. Combining an eco-friendly roof restoration with the installation of solar makes economic sense beyond the installation of either technology alone. In short, the brand has leveraged technology to create an environmentally-friendly alternative to a costly roof replacement. This enables property owners to protect their homes or buildings at a price point they can afford when revenue is tight.

And it doesn’t hurt that their technology is newsworthy and helps to earn positive publicity because of its environmental impact.

SUPERCHARGING ENGAGEMENT WITH PROSPECTS AND CLIENTS

In a slow economy, it takes more effort to find prospects who have the money to buy, and once you do, you still have to convince them that your company is the best choice for them. This typically requires consistent marketing efforts, both online and offline.

It’s a noisy world and people are inundated by ads, as well as outreach through email, private messages, and phone. This means marketers need to be more strategic and consistent with their marketing efforts.

“Throughout the last crash, my team used our CRM system religiously to nurture new leads and maintain relationships with our existing clients,” explains Josh Silva, CEO of HLS Realty/Silva Group in southern-California.

“This helped us to stay in contact and make sure nothing fell through the cracks so we could turn more leads into customers and generate repeat business from our previous clients. There’s just too much information to keep track of that in your head or on paper.”

A CRM, or Customer Relationship Management system, enables you to track your sales pipeline, communication and transaction history, and many other data points, depending on the particular system you choose. There are countless options available, ranging from free to thousands of dollars per month. Some are even developed specifically for certain industries, like real estate, automotive sales, or construction.



Technology enables companies to build stronger relationships more quickly. These relationships are essential for success in real estate.

But in order for a CRM to be useful, a business first needs to be able to produce a stream of potential leads.

Silva, a Marine Corps veteran, thrived during the 2008 crash thanks in part to his firm's effective use of this technology. At that time, most other agents were struggling or even forced out of business. But like most Marines, he's not content to rest on his laurels. Seeing the writing on the wall in recent years, he's been preparing for the next crash by developing a marketing strategy to build exposure while demonstrating expertise, authority, and trust.

"People today rely on search and social media to make a buying decision and we have the ability to stay at the top of their minds because of that. So we've invested heavily, both to show up in front of potential clients, and to create content that answers questions they may have at different stages of the buying process. This helps us get in front of the right people while showing them that we're knowledgeable, competent, and trustworthy."

Content, in the form of articles, videos, and podcasts, helps to demonstrate that a brand has the expertise and experience to solve a client's problem. And by properly leveraging various technology for organic search, social media advertising, and traditional public relations, a brand can appear to be everywhere a prospect looks, making that brand more likely to earn their business.

"To maximize the results from our marketing efforts, we've also begun implementing marketing automation to keep potential and existing customers engaged. This will help us to do more with less, and when the crash hits, it will put us ahead of competitors by leaps and bounds."

WHAT DOES THE FUTURE HOLD?

No one can say with any certainty when the next crash will happen or how intense it will be. But based on previous downturns, one thing is certain; technology can give a company an advantage over competitors—especially during a slow economy.

Companies that leverage technology in a way that creates a worthwhile competitive advantage will be more likely to thrive during these times, while those that don't will be more likely to struggle.