

Surviving the Downturn: “Aggressive PR and communication are key”

By Steve Schuster, CEO

Last October 9, Sequoia Capital hosted a now-famous meeting in Silicon Valley, with about 100 startup CEOs in attendance. The message to the portfolio companies was this: We are in a serious economic downturn. Immediate, decisive and swift action is required, along with frugal management of expenses. Cut spending. Cut fat. Preserve capital.

Among the tough words conveyed by Sequoia to their portfolio CEOs was this strong warning: “Nail your sales and marketing message. Pound your competitors’ shortcomings. Take the offensive. In a downturn, aggressive PR and communications strategy is key.”

The down side of *going dark* is much greater than any short term savings experienced.

In bad economic times, all companies make budget cuts, and some will indeed make the hasty decision to cut public relations budgets. In the PR industry this is called “going dark,” an immediate elimination of exposure for your company and its products or services. This impulsive decision has multiple negative consequences— not only will lead generation dry up when you “go dark,” but the lack of media exposure will undermine the confidence of your existing customers and investors concerned with your company’s long-term viability and value. When you go dark the one thing people will notice about you is your absence!

When times are tough and business is slow, PR is the very last thing that ought to be cut. As the CEO of a PR agency, one might think I am biased in my opinions. So let me repeat that it was Sequoia Capital who mandated to their portfolio CEOs to “Take the offensive – in a downturn, aggressive PR is key.”

Drive Sales with a Persistent Voice

Keep the market fully informed of your company's activities even, and especially when things get extremely tough. With other companies making the mistake of reducing their PR budgets, your own efforts can make even more of an impact. That is especially true for entrepreneurs who must stand out in the crowd to be noticed by VCs.

Evolve your company's message to make the most of today's economic conditions:

- Find every possible attribute of your products that represents an ability to reduce costs for your customers.
- Use your marketing budget to clearly demonstrate what sets you apart.

Branding in a tough economy matters, and one of the most important aspects of differentiation and success is developing a persistent voice through PR.

PR is also a major driver for sales, so don't leave it to your sales team to have to educate potential customers about your product. Continue to invest in a good PR program so your sales team hears, "Yes, I've heard of you guys," when they make a cold call.

Solid PR positively impacts your online presence and SEO

As a measurable discipline with huge potential for strategic value-add, PR will be your secret weapon for designing and executing efficient, cost-effective marketing. One significant example of value-add is the positive impact a good PR program can have on search engine results, and visibility on search engines can be a critical component for any company today – driving leads, sales and vital business partnerships. High-quality PR-based content provides additional search engine exposure and is a source of in-bound links that search engines love.

Outsourcing PR is More Effective

Outsourcing PR to a good agency is always more effective and more cost-efficient than trying to get the job done in house. The right PR agency partner brings

objective, strategic value to your business, especially around message articulation and focus, analyst and media outreach methodologies, and an out-of-the box view of how your technology fits in the larger market ecosystem context.

Furthermore, companies sometimes think they can create and manage the entire PR process including:

- Maintaining all the contact databases
- Writing the pitches, press releases, and articles
- Reaching out to analysts, media and conferences

But these tasks get de-prioritized when PR goes “in house” and the distractions of corporate duties become overwhelming. Opportunities are missed that your agency will be on top of with an independent perspective that can be a deeply competitive advantage for your company.

Grab Market Share - NOW

Last March, Senior Associate Dean John A. Quelch of the Harvard Business School said, “It is well documented that brands that increase (marketing) during a recession, when competitors are cutting back, can improve market share and return on investment at lower cost than during good economic times.” Professor Quelch concluded, “Successful companies do not abandon their marketing strategies in a recession.”

[Steve Schuster](#) is CEO of [Rainier Communications](#), a leading U.S. technology-marketing agency that has been the creative force behind hundreds of PR campaigns for a wide variety of high-tech innovations from Fortune 500 to start-up companies. With BSEE and MBA degrees, Schuster served in various management-level roles throughout the high-tech industry. He launched Rainier in 1993 with a vision of providing technology companies with a credible resource for communicating “complex” technologies to the marketplace.

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