By the forecasts of most economists, the nation’s recession, the worst since 1982, is expected to diminish by year’s end. Smart South Carolina companies and businesses have used the recession for strategic development and innovation, so they will hit recession’s end running.

Sonoco is a model for this, emerging from the recession with a renewed commitment to environment-friendly, sustainable products and services for new marketplaces. Based in Hartsville, Sonoco is a $4.1 billion global manufacturer of consumer and industrial packaging products and provider of packaging services, serving customers in 85 countries.

Sonoco has not let the recession slow its innovation. This fall, it is bursting onto the global packaging marketplace with new products and services to grow its reputation for leadership.

“Business is still going on. How entrepreneurs and business owners look at their business can mean the difference between a profitable year, a flat one or a devastating one,” said Walker McKay of Strategic Partner, a sales force-development company with offices in Columbia, Greenville and Charleston. Strategic Partners counsels more than 300 clients throughout the state.

With a focus on operating responsibly, gaining market share and maintaining a positive outlook on business, several South Carolina companies report recession’s end will usher a new beginning – one made richer by trimming operations and refocusing on core business strengths.

“We have been coping with the recession by cutting back on areas that do not have a major impact to our companies and employees,” said Ned Little, general manager of McWaters, a full-service office furniture dealer in the Midlands. Recognizing a business trend, McWaters further capitalized on the downsizing affecting businesses.

“Downsizing in many markets has given our Move Management/Relocation Division more opportunities, and this has been a huge growth area for us,” Little said.

While many businesses associated with the South Carolina tourism economy worried about the impact of gasoline prices and a downturn in travel, other companies have adapted to assure the ongoing cash flow of tourist dollars.

“The hotels have done their job to get people to come to Myrtle Beach. Once they get here, people are value conscious. They are looking for value and a return on their tourist investment dollar,” said Peter MacIntyre, general manager of Ripley’s Attractions, Myrtle Beach. Ripley’s, which operates five attractions and an arcade in South Carolina, unveiled a new Babies exhibit this year for its Aquarium.

“We have fortunately kept revenues at the same levels as before the recession,” said MacIntyre.

Businesses in manufacturing, retail and construction report they are implementing the time-tested tactic of growing market share during an economic slowdown. “Businesses operating in the contemporary environment have the opportunity to make a land grab for market share,” McKay said.

“The primary concern for our company during the downturn has been to continue to provide superior customer service and expand our market share,” said Brad Cunningham, CEO of Network Controls and Electric, a company that provides network cabling and electrical infrastructure for educational institutions, healthcare facilities, manufacturers and other companies. “Once the economy turns around, the new customers we have gained will allow us to grow tremendously, because our overall market share has increased.”

Chip Salak, new business development manager for McWaters, agrees. “Every one of us who survives this recession will ultimately capture more market share. We see this as a ‘cleaning period’ that will rid itself of the weak, and the strong will become stronger.”

The recession has not changed Palmetto Health’s marketing strategy.

“Our planning is strategic and long-term in nature,” Palmetto Health’s...
**Now What!?!**

Guidance on Post-Recession Marketing Rules  
By Reed B. Byrum

Most public and private forecasters, from the Federal Reserve to corporate economists, see an end to the nation’s worst recession in almost 30 years. Most are cautious about the length of time it will take the nation and South Carolina to fully recover, which means this is the time to strategize for what will be a challenging 2010.

Key lessons have emerged out of the recession, and this is the principal one – the rules are markedly different from the past with such game-changers as:

- The customers you had at the beginning of the recession may no longer be viable today.
- Capital availability will remain tight.
- Traditional marketing approaches have not worked for most companies during this recession.

In the long run, businesses need more than mere survival. Surviving simply means not losing customers – the goal is to win new business. This is the time to focus on the future, looking for new opportunities that await the economy as it begins to respond.

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Scottie Dye said, “While some of our services have fluctuated due to the economy, such as fewer elective surgeries or increased ER visits by uninsured patients, our marketing strategies don’t address those scenarios. Our marketing messages are oriented toward consumer health education.”

In September, Sonoco also launched a new industrial offering around pallets and pallet components and services, called Firma. “While many of our competitors in industrial and consumer packaging have gone bankrupt, we’ve been able to leverage our history, and our financial strength is being translated to investors and our customers that Sonoco and their competitors are sustainable as a corporation over the long run,” Schrum said.

Greenville’s The Capital Corporation, which generates more than 1.5 million hits a month, created an opportunity for The Capital Corporation to raise its awareness among investors and its customers to differentiate itself from the pack.

**Dow Jones Sustainability Indexes**

Earlier in September, Sonoco was the only South Carolina company featured on the Dow Jones Sustainability World Index. Out of 3,000 invited, Sonoco was one of seven U.S. companies (including the likes of Coca Cola, Johnson & Johnson and select others) chosen for this prestigious investment index.

“We’ve been working hard with the investment community and with our customers to differentiate ourselves by focusing on our ‘Eleven Decades of Packaging Leadership’ and financial strength — including our BBB+ credit rating, which is one of the best in our industry,” Schrum said. “While many of our competitors in industrial and consumer packaging have gone bankrupt, we’ve been able to leverage our history, and our financial strength is being translated to investors and our customers that Sonoco will be sustainable as a corporation over the long run.”

Greenville’s The Capital Corporation also has seen new opportunities that await the economy as it begins to respond. “A lot of the problem with businesses today is they go to talk with their customer or their supplier, and all they hear is that business is ‘bad, bad, bad’,” Schrum said. “The smart people have figured out if they continue to work and search for business prospects, they are going to find some business,” McKay said.

Kristie Bohm Byrum, CEO of The Byrum Innovation Group in Greenville, spent her recession creating a post-recession initiative to coach executives about marketing strategy and activities.

Ripley’s, which operates five attractions and an arcade in South Carolina, unveiled a new Babies exhibit this year for its Aquarium.
• Current customer behaviors will extend up to two years after the recession has peaked.

The striking difference in post-recession marketing can be innovation. Your marketing should be as innovative as your products and services. As management guru Peter Drucker wrote, “Business has only two functions – marketing and innovation.”

Let’s start with some strategic development to rethink your marketing strategy – particularly strategy, channels, customers and reputation.

Here are some ideas that may help enhance your marketing thoughts during this recession and into emergence.

• Analyze the areas of marketing that currently are producing the best results and are supporting sales in the most optimal way. These are keepers.

• Determine which customers are still relevant, and review which geographies are changing as targets. For example, emerging countries are growing rapidly in their needs for consumer goods and industrial equipment, while established countries are getting repairs.

• Analyze effective channels for marketing and communications. Traditional advertising channels have dramatically shrunk during the recession. More companies are reaching out to more non-traditional, viral methods of social marketing.

• Customers are tougher to reach because they filter many communications.

• Research your competitors’ brand channels and market expansions and contractions – these will deliver vital market information to you.

Because this recession has brought a decided shift in resources for segments of our society, you should consider re-examining your customer sets. You probably will need to go beyond the demographic complexion; you need to examine their psychographics and their financial resources.

For your business to succeed, you need to get to know the new, post-recession consumers, understand their motivations and put faces on them. These are called personas or animes. John A. Quelch and Katherine E. Jocz are two Harvard professors and researchers who do a good job at this.

They have divided today’s consumers into four segments:

• The slam-on-the-brakes segment feels most vulnerable and hardest hit financially. They have in many cases moved down to this level from a time in which they were better off financially.

• The new group, the pained-but-patient consumers, tends to be resilient and optimistic about the long term but less confident about the prospects for recovery in the near term. This is the largest group of consumers.

• Comfortably well-off consumers feel secure about their ability to ride out current and future bumps in the economy. These represent the top five percent of earners.

• And, the live-for-today segment carries on as usual and for the most part remains unconcerned about savings. This group is generally younger and single.

At greatest risk is the slam-on-the-brakes crowd. They have stopped buying products and services that are either postponable or expendable. The obverse group is the Live-for-Today crowd – they are a little more conscious about postponables and expendables, but if they want them, they will buy them.

Corporate reputations also have been challenged during the recession by fluctuating stock prices and asset devaluations. With shareholders, employees and financial analysts, it also is more difficult to communicate with them, particularly if it is bad news. Regulatory restrictions limit your ability to tell them that things will get better after the recession. At the same time, you have regulatory obligations to inform them about governmental investigations or auditor-imposed concerns, news that could disrupt your relationship.

To help key audiences understand your corporate value, it takes a collaboration of company executives, financialists and attorneys shaped by corporate communicators to deliver the correct messages.

Albert Einstein saw the value of enterprises and individuals in terms of value, not success, when he wrote, “Strive not to be a success, but rather to be of value.” In this difficult recession, value has helped companies sustain their marketing and sales – and they may likely provide the same sustainability during the post-recession.

Reed Byrum, APR, Fellow PRSA, is chairman of The Byrum Innovation Group in Greenville and a member of the Executive Committee of the South Carolina Chamber of Commerce.

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at&t congratulates all those honored by the South Carolina Chamber of Commerce.