



Your Business - Surviving the Recession

**From
Lynchburg SCORE**

Quick Business Assessment

- Look for changes as a result of downturn
- Review what is working and what is not
- Do a Business Health Check-Up
 - Available from SCORE website (listed below)
- Analyze SWOT (strengths, weaknesses, opportunities, threats)
- Analyze & understand your financial situation

Now: A Tactical Action Plan

- Develop & implement a 3-6 month plan & timetable
- Focus on the 5 largest expenses
- Focus on the 3 most successful sales strategies
- Make visible the key business measurements
 - Sales, cash flow, expenses, customer satisfaction
 - How do they compare to budget/plan?
- Get help from an objective 3rd party
 - SCORE, accountant, banker, lawyer

No Sacred Cows

What are the Options?

Increase revenues, reduce expenses ...or both



Expense Control

- Analyze workflows, staff efficiency, outsourcing
- Review supply chain: inventory levels
- Consolidate borrowing costs
- Review top 5 expenses & reduce if possible

Cash Flow Control

- Owners should review **all** company expenditures and sign **all** checks
- Secure extended payment terms from suppliers
- Take advantage of early pay discounts
- Consider twice monthly payroll schedule
- Defer unexpected expenses
 - Secure a line of credit or use credit card

Personnel Expense Control

- Adjust staffing for efficiency
 - Unnecessary positions?
 - Train & cross train - combine positions?
- Review payroll costs
 - Local competitive pay rates?
 - Review/Adjust benefits package?
- Assess individual performance
 - Incentives to retain high performers?
 - Terminate low performers?

Income Management

- Evaluate price increases/decreases
 - Actively monitor competitors price changes
- Use discounts cautiously
- Shorten collection cycle
- Implement sales & marketing tactics

Income - Sales Tactics

- Contact current customers & past prospects
 - Ask for referrals
 - Solicit new product & service ideas - likes & dislikes
 - Focus on best customers
- Use internet / email
 - Review/upgrade website
- Review price structure relative to the competition
- Reduce inventory of slow selling items

Income – Marketing Tactics

- Use conferences, trade shows & Chambers of Commerce to expand network
- Increase interval between promotions rather than eliminate
- Bundle products/services
 - Incentives for purchasing more
- What has worked before still likely to work
- Analyze ads for return & payback
- What makes you stand out from the crowd?

Leadership

- Communicate tirelessly - listen
 - Employees, Customers, Vendors
- Keep your sense of humor
- Instill a sense of urgency
 - Measurements & results weekly
- Encourage employee involvement
- Build your team

Summary

- Think strategically; act tactically
 - Focus on Next 3-6 months
- Implement your Tactical Action Plan
- Focus on profitable business
- Measure, measure, measure
- Questions?
 - Contact SCORE for free, confidential business counseling