

## Beating the Odds

09/29/08

As a business owner, how do I keep my company safe in a down economy? This comes from a recent Ask Andi forum, part of the Lunch and Learn Series, run by the Westchester County Association.

Panelists included Robert Sanders of Hospitality Resource Group, Tara Meenan Larsen of Compufit and Jeff Stillman of Stillman Property Management. Thanks to the panelists, the WCA and sponsor Mahopac National Bank for making this well attended event happen.

If you haven't been to a Lunch and Learn, I encourage you to check it out. Go to the Westchester County Association website: [Westchester.org](http://Westchester.org). Look for "Lunch and Learn" on the monthly schedule.

Panelists, all small business owners, talked about navigating down cycles. They shared lessons from 2001 – 2002, comparing business ownership in that timeframe to the present. All agreed that so far, it was worse then than now. Following are specific suggestions that came out of the seminar.

To sum up, it's a great time to be an entrepreneur! As owners of privately held companies, we have control. We secure our futures through marketing and sales, client selection and management, reserve funds,

financial discipline, and keeping an eye to the future.

Growth in a down economy means lots of marketing and sales. Keeping good customers, and getting more, is essential. Change what the business does, look for new opportunities, quickly jump on customer and prospect requests. Expand sales efforts and learn how to eat more of a competitor's lunch. All agreed that you cannot be passive about sales and marketing in tough times.

Panelists stressed the importance of strong, personal connections with clients. Think long term. Know who you want to do business with. Make deliberate, customer-by-customer decisions. Don't be afraid to weed out poor quality and unprofitable customers. And be patient.

Go out of your way to be present with existing clients. One panel member relayed that after our event, he would be driving 3 hours round trip to spend 5 minutes speaking with the President of his top customer, as part of a cocktail party. He explained that showing an effort, being present at an event that was important to the client, will pay dividends down the road when he needs it.

All panelists agreed: get everyone in the company involved in sales and customer service. Insure all employees

understand their role. Keep clients satisfied.

Watch for competitors who stumble. Bottom feeders, competitors who sell on low price, struggle most in a down economy. Know which competitors are vulnerable and which of their accounts you want to go after. Put together an explanation of what your company is doing to be fiscally healthy. Emphasize your company's commitment to servicing clients' needs.

Be on top of accounts receivable. Make weekly collections calls. Only extend credit to fiscally sound customers. Have regular contact with the person who cuts checks for each client. Keep a pulse on each customer's financial health.

Accounts payable demands are coming more frequently. Deal with it. Keep costs down. Cut spending on non-essentials.

Know your top vendors. They may offer programs to boost their sales. One panelist gets rebates for volume sales, for the first time ever. Some vendors are looking to partner to boost sales.

Everyone agreed they would like to have more reserves on hand. Plan tax and business strategy together. Tax planning means profits go home to shareholders. Be careful to put enough funds into reserve, earmarked for

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lending back to the company in case of need.

Mahopac Bank emphasized getting your fiscal house in order. Pick your bank based on their financial stability and ability to provide quality advice. Some banks are now focused internally, fixing their own balance sheets, and that can negatively impact client relations. Work with your bank to get credit lines in place at the start of a down cycle; don't wait for an emergency to crop up.

How do you keep a positive outlook when the world around you is in trouble? Everyone admitted to feeling stress from the news of today's economy. It impacts every business, and every business owner, one way or another.

All agreed, you have to lead forward. You can't focus on what's wrong or you stall out. One panelist pointed out that after 9/11/2001, much of their business was gone, overnight - and they're still in business today, stronger than ever.

Go forward suggestions included getting a business support structure in place to help the owner feel less alone. Speak honestly with employees, vendors and customers. Define where to take the company next. Get everyone focused on the future. It is up to the CEO to provide a realistic, but positive outlook so others can follow.

Looking for a good book? Try 101 Ways to Market Your Business: Building a Successful Business with Creative Marketing, by Andrew Griffiths.

*Business owners regularly turn to Ask Andi and Strategy Leaders for advice on how to grow profitable, successful companies. They find what they need time after time. Specific advice is available at [www.AskAndiBlog.com](http://www.AskAndiBlog.com). Ask Andi is also published weekly in the Westchester and Fairfield County Business Journals and Hudson Valley Business. Written by Strategy Leaders President, Andi Gray, the Ask Andi column is a rich source of advice for owners of established, privately held businesses.*

*If you are a business owner and you have a question or would like to discuss some aspect of your business, call [1.877.238.3535](tel:18772383535) or send an email to [AskAndi@StrategyLeaders.com](mailto:AskAndi@StrategyLeaders.com).*