

Rethink, replan, redo: With economy down, consider your strategies

Listening to the economic news these days can be depressing. It can even cause you to want to retreat and “wait out the storm”. However this is the time when all businesses should be re-examining their business strategies and operations.

Focus on Existing Customers. Many companies focus on attaining new clients as opposed to retaining existing customers. While any business strives to increase their customer base, it is more expensive to bring new customers on as opposed to retaining the relationship with your current patrons. Increase your interaction with current customers. Ask for more of their business and ask how you can better service them---then do it. Show your appreciation for those clients that have been loyal to you.

Look at Your Internal Processes. Are your internal processes and procedures thwarting your ability to get and retain customers? Too often, company rules that offer no flexibility when it comes to working with customers can result in losing valued business. Communicate with employees that while rules are put in place to protect the company, they should be empowered to use good judgment when working on viable solutions to a customer’s problem.

Stay on Top of Your Accounts Receivable. When cash flow becomes uncertain, companies may begin to increase the time that they pay invoices. When bills first become past due, a friendly follow up phone call may help send the message that timely payment is expected. For those customers that have a good track record with you, consider offering a short payment schedule in lieu of one sum. Also consider offering a small discount to those that pay before the due date.

Review Your Spending Practices. During good economic times, purchasing practices tend to be lax. In a downturn, it’s important to examine how, what, and why you are purchasing.

- Consolidate purchasing. If each department in your company orders independently, consider consolidating this process and seek out the best prices and volume discounts.
- Re-evaluate needs vs. wants. Do you need all those magazine or newspaper subscriptions? Examine your purchasing items. Are you buying the most expensive pens when something cheaper will suffice? Copier paper is a big expense in most offices. Without jeopardizing the working order of your printer and copier, buy the least expensive type and use both sides of the paper for internal drafts.
- Postage In this electronic age of e-mail, do you really need to print and mail that news piece? There is a caveat to

mailing vs. e-mail---hand written thank you notes go much further than a thank you e-mail; use appropriately.

Review Your Advertising & Marketing Strategies. Scrutinize your current marketing plan. Now is not the time to stop all marketing and advertising efforts. Re-evaluate what is working and what is not. Because of budgetary constraints, you may need to look at other low or no cost options.

- Press Releases Continue to send press releases on any company news to all appropriate media outlets as well as the North Las Vegas Chamber of Commerce. Add your company events to various community calendars. The North Las Vegas Chamber has added a community calendar feature on its website for members to post their events.
- Network We all network during good economic times and it is even more crucial to do so now. People do business with people they know and feel comfortable with and relationship building is paramount. The North Las Vegas Chamber holds several monthly programs and events that offer the opportunity to meet potential customers and to expand your network. Keep your face and your company's name out in front. Even if there isn't a need for your service and product now, it doesn't mean that there isn't future business to be had.

Re-evaluate your Employees and Staffing Levels. Employees are the core of any business and are important to the viability and survival of any company. While cutting staff is an immediate way to recognize cost savings, in the long run it can cost you more in decreased services that will result in lost business. This is the time to examine job duties, processes, and employee performance. There are many highly skilled employees in the marketplace that have been laid off due to company downsizing. Get rid of nonperforming employees and re-evaluate job duties and processes to determine if any can be combined. Cross-train staff so that everything can pitch in where needed during slow times.

Communication is Key. Communicate with your employees, customers, and vendors. If you are having financial problems, talking to your customers and vendors may help identify viable solutions. Communication with your core customers, the employees, can result in workable solutions that will benefit not only your bottom line but will also keep everyone employed.

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