



## *10 TIPS TO SURVIVE A SLOWDOWN*®

Wow, it's getting rough out there. We are in a recession made worse by a liquidity crisis and a government that refuses to get out of the way.

If you believe everything you are reading the papers or hearing on the news about the economy, it's probably best that you stop reading the paper and watching the news. By now you have probably realized that the government is not going to give you a bailout program. You are better off without it. You can survive and thrive through a downturn on your own. A few tips for dealing with a downturn follow.

Remember that what goes down will come back up. Don't do anything that will stunt your ability to come back strong when things do turn around. Stay visible.

Cash is staying power. Work your balance sheet to maximize cash flow. Make collection calls and get your money collected, liquidate obsolete or unsalable inventory and stretch payables just a little.

Think about the survivors, not the casualties. You probably have people who aren't contributing. Get rid of them. If you don't think this way, everyone may become a casualty of the times.

Focus on reducing payroll not just head count. You need movement not motion. Look hard at consultants and contractors to reduce costs. Removing one manager may result in more savings than firing five clerks and cause less damage to the company. This is the time to clear out the dead wood.

Keep looking for good people. Never turn down the opportunity to hire an A player. The thought is that your most expensive employee should be your cheapest employee. That A employee should bring in far more margin than they are being paid.

Look hard at outsourcing non-essential elements of the business. That could be human resources, accounting, payroll, IT and even shipping. If you can save money and keep the same service level or improve it, why not.

Make sure you get ahead of the curve. Nothing destroys moral in a company faster than rolling job cuts or other reductions. Do it deep, fast and only once.

Communicate early and often. Customers, vendors, employees and other constituents must be kept informed. It's always important to stay in front of them and the current situation gives you a really good reason to call people and keep them informed.



Well run companies gain market share in hard economic times. They have the capital and the systems to effectively run their businesses and the competition may not. Get out there and call on new customers. You have a perfect lead in..."If your current vendor can't or isn't able to service your needs, we can."

You set the example. If you mope around and complain about your situation, the economy or the market, your employee's will to. They follow your lead. If you remain positive and enthusiastic, they will to and this will transfer in to more success for the company.

Remember, in life and business it is not how many times you get knocked down that matter, it is how many times you get back up.

*Dave Guenthner is President of BSM Executive Advisors. Dave is an executive advisor, consultant and speaker that has been where you are, where you are going and beyond... Dave co-founded and grew a company from an idea into a \$6 billion dollar Fortune 500 company. Dave used the same principles to help the owners of RTG Medical grow their Company, in less than five years, from a \$3 million dollar revenue company with 39 employees into a Company with revenue over \$30 million dollars and in excess of 250 employees.*