NAVIGATING SMALL BUSINESS OPERATIONS THROUGH CHALLENGING TIMES

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Setting the Stage

- Lifestyles now
- Parents/Grandparents Lifestyles
- College Freshmen
- Needs vs Wants
- Americans vs THE REST OF THE WORLD

THE PINK SHEET

- What will you remember?
- What will you do?

- THE OTHER SIDE
- America is still the greatest country on earth
- What are you thankful for?

Red Dirt Rules

- The best things in life aren't things
- He who dies with the most toys still dies
- There are two ways to get rich......You can make more or you can require less
- No rain......No rainbows

What Businesses are Facing

- Differences between Then and NOW
- Financial Challenges in Onsite Industry
- The Dual Impact
 - Development cut-backs
 - Banking & Credit
- Customers
- Regulations
- Income Sources

Economic Challenges 2008-2009

- Stable Cash Flow
- Customer Base
- Diversity of Business
- Understanding Your Business
- Price Increases

How is YOUR Business?

- The phone is not ringing much
- Employees with too much time
- Bills piling up
- Snapping at your spouse & anyone else in the way
- Overeating and other activities?

Customer Base

- Do they know who <u>you</u> are and what you do?
- Do you know who <u>they are</u> and what they need?
- How are you communicating with them?
- What are you doing to provide "valueadded" services?

Business Opportunities

- Do you know what they are and are you taking advantage of them?
- Where will the work be coming from?
- Do you have one or more services to offer?
- Are you employee resources properly trained and directed?
- What plans are in place for "contingencies"?

Business Threats

- Overall Economy
- Overspending
- Overstaffed poor fit or performance
- Inadequate billing collection
- Reserves access to capital
- Credit rating high risk
- Lack of Business Plan
- Inadequate Marketing
- Company Performance

Key Business Issues

- Business slow-downs/loss of customers 10%, 20%, 70%
- High overhead: too much inventory & employees
- Fixed vs Variable Costs.....Know the difference

Action Steps: Finances

Cash Flow – From Customers

- Internal credit management system
- Customer credit procedures/worthiness
- Invoicing procedures
- Customer incentives discounts
- Credit Cards
- Late paying customers
- Collections
- Staff Assignments

Action Steps: Finances

Cash Flow – To Vendors

- Negotiate Terms
- Bank Loans/Lines of Credit
- Discounts
- Use Credit Cards...PAY OFF

Customers Common Situations

- Names filed forgotten
- No follow-up customer satisfaction?
- Lack of referral incentives
- New customer assessment
- Opportunities
- Marketing plan

Action Steps: Customer

Research and Planning Process

- Customer locations geographic areas
- Customer needs service expectations
- Competition who do they call first
- Name recognition services
- Other service opportunities
- How do they find you

Action Steps: Customer

Maintain and Grow the Base

Matching needs with services & expertise

Information – respond to needs

Positive relationships

Referrals - incentives

Getting off the dead wood

Business Planning

Can your business weather the next storm?

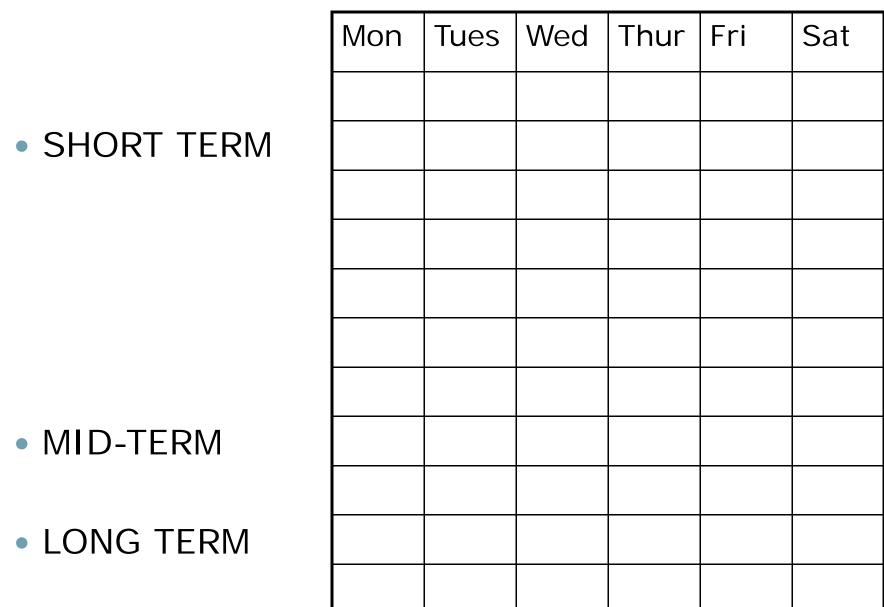
The difference between a dream and a plan is that the first simply expresses a desire to achieve something – while the second identifies actions to accomplish it.

If you want to achieve your dreams – you need a road map that is going to show you how to get from point A to point B

Business Planning

- Only big businesses create "plans"
- Always excuses e.g. "not enough time" "too expensive"
- Does NOT have to be complicated
- Look beyond today's problems
- Find ONE new opportunity
- Schedule a day OFF

Scheduling Tool



Action Steps: Business Planning

- What are the costs & resources needed to make the goals become a reality?
 - Office/Support staff
 - Employee training education
 - Equipment supplies
 - Finances
 - Integrating marketing

Action Steps: Business Planning

- Evaluate potential outcomes
 - Educated Guess
 - Best Case, Scenario
 - Worst Case Scenerio
 - Line in the Sand......

Mayer Bros., Inc. Lessons from My Father (Born in 1920)

- Watch what you spend, EVERY PENNY
- Spend less than you take in
- Collect YOUR money
- Fix what you have
- Save your money to buy things

The Pink Sheet What Changes Will YOU Make?

(My favorites)

- Know where your money goes
- Know where it comes from
- Keep up on collections
- Reorganize debt
- One new idea
- Write down Plan
- What do you NEED vs Want