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Business Survival in Tough Times

When times get tough, business owners typically focus on simple survival rather than managing success.

Over the past 3 years profitability has become more difficult to accomplish.

Basic reasons for Business Survival in tough times

- Employees look to the boss for leadership in difficult times. They look to the news to decide whether to worry. When your employees' minds are not on their jobs, it affects productivity and increases the probability of mistakes being made.
- Boss has to display self confidence whether he or she feels it or not. Meet with your employees and ask for their input. Quality leadership is key!

Identify expenses and reduce them wherever possible, a dollar here and a dollar there is what you are looking for. **Every dollar of expense cut is a dollar of positive cash flow.**

- Look everywhere; supplies, personnel, perks, hours, etc. Cut the fat. Nothing should be exempt from examination.
- Look closely at payroll; it is the quickest and easiest way to find cash. If your employees are not adding anything to the bottom line they are not affordable in a poor economic environment.
- Debt structure is another area to examine for potential improvements in cash flow. Banks and vendors tend to become nervous if they hear there is a potential problem with one of their companies. Businesses do not borrow themselves out of debt, but adjustment to terms can sometimes help strengthen a firm's cash flow.

Poor economies are testing grounds for owners, managers, and employees. Be ready to prosper as the economy improves.

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