

TOP TEN BUSINESS TOOLS FOR TOUGH TIMES
Calvert County Department of Economic Development

1. As the business owner, you must manage accounts receivable and pay careful attention to cash flow. Many tasks can be delegated to other members of your team, but right now cash management isn't one of them.
2. Everyone knows that cash is king in business so ask employees to help cut waste and expenses when possible. Review operational steps and eliminate or tighten up inefficient ones. Remind employees that when you watch pennies, dollars take care of themselves – and that translates into better job security for them.
3. Excess inventory is wasted money. Don't miss a sale, but don't let one piece of inventory spend the night in your building unless it's absolutely essential. Inventory is cash you can't spend until you convert it back by making a sale.
4. Take time to review ALL service contracts to make sure you still need them. Can you cut your own grass, empty your trash or deliver your own packages? Your customers are tightening their belts and it may be time for you to do the same.
5. Wherever possible, renegotiate term loans - including real estate mortgages – to take advantage of lower interest rates. Longer amortization and lower rates preserve cash.
6. Make your banker a part of your management “team.” Keep him or her informed about how things are going, good or bad - especially the bad. Bankers need information, even if it's bad news. Remember: An uninformed banker is a scared banker, and no one ever got any help out of a scared banker.
7. If you rent, talk with your landlord about adjustments in the terms of your lease. Don't expect the landlord to take a major hit, but he or she knows that prospects may not line up to take your space if you leave. This is a good time to work on some creative rental solutions.
8. Convert non-performing assets to cash - even if you have to sell for less than you want. Last year's value has no bearing on what an asset is worth today – and it could be worth even less tomorrow. If it's not performing, cut it loose.

9. Take time to call on EVERY customer at least once in the near future. This isn't a sales call – it is a relationship call. Find out what you can do to help them, and then do it. Your company's future may very well depend upon good relationship management.

10. Payroll expenses must be addressed. Non-performers must go first. Before making other cuts, ask your team to help find creative ways to allocate your bare-bones payroll budget. But don't forget that now could be a good time to invest in the future by acquiring a highly trained "big business" employee who just got laid off.

Bonus Tool

11. Every wise business owner knows that free is good. Now may be the time to utilize the **free** counseling services provided by the Small Development Center for a management, marketing or cash flow check up. For more information, visit online at www.sbdchelp.com or call 301/934-7583 to schedule a confidential appointment.