

SURVIVAL

By: Robert Sher

Many of my conversations with entrepreneurs and small business operators have turned to the current economic climate. Most want to know how to survive the downturn. You should know that business operations cannot be fixed quickly or without uncertainty and some pain.

Want to know how to tighten the company belt without hurting your business? Obviously you will want to simplify the office holiday party, reduce your use of mail, increase use of Email and freeze overtime.

Here are some other tips to help you streamline spending:

- **Review everything.** Carefully review all of your expenses. Trim areas that will have the least impact on day-to-day operations. Do not take anything away from service to your clients. Budget conservatively.
- **Negotiate.** One of the best ways to get a good deal is to ask. You might secure better rates on everything by agreeing to pay early, entering into a contract with a supplier or through hard-nosed negotiating.
- **Reduce costs.** Is your stockroom filled with excess supplies – five different colors of pens and four different types of sticky notes? Order only what you need. Smaller quantities could save money. Minimize paper usage by asking people to read reports and documents on line. When you do need to print, start pressing that double-sided button.
- **Make everyone a sales person.** Get each employee to ask customers and vendors for referrals. Teach them how to make cold calls and network. Pay each non-sales person a commission for any sales that come as a result of his or her participation in landing the deal.
- **Conserve energy.** Lower the thermostat temperature, turn off all appliances and lights when not being used and encourage staff to shut down their computers when out of the office. Replacing incandescent bulbs with compact florescent bulbs which last longer and use less energy means buying fewer bulbs over the course of the year.
- **Sublease office space.** If there is vacant space in your office, lease it out. This will help pay the rent.

- **Say no to contractors.** Use existing staff to get the work done. If you need some extra help, consider hiring college students or interns for credit. It is a win-win situation for your business and for a student anxious to get on-the-job training.
- **Seek employee input.** Ask employees where the company can save money and then reward each person who offers a good suggestion. You can create Employee of the Week competitions and/or up the ante with a little cash.
- **Avoid unnecessary travel.** Web video conferencing and free conference calls can help cut travel expense. For those who must travel, compare the costs of trains, busses and rental cars with air fare.
- **Watch professional bills.** Ask attorneys and accountants what you can do on your end to reduce expenses.
- **Shop around for insurance.** Talk to several neutral sources before picking plans. Make sure the plan you choose is cost effective, protects you from potentially catastrophic contingencies and gives leverage to grow your company.
- **Go back to basics.** Get rid of individual desk top printers and share one in a designated location. Do not upgrade software every time a new version of the same title emerges. Determine what you really need and what is a luxury and you will be able to save money.

Perhaps we are all a little spoiled by the latest technological advancements, lunch meetings and abundance of supplies we have been accustomed to. There is no time like the present to re-think how we all do just about everything – to save costs and your company's future.

Robert Sher, CPA, is a Certified Executive Coach. Formerly CFO and partner for Schostak Brothers & Company, Sher has been a delegate from the Michigan Association of Certified Public Accountants to the National Future Forum working on the CPA "Vision" Project. Sher serves on the boards of numerous charitable and professional organizations. His Email address is: info@bobsher.com.