

10 TOP TIPS

...for Managing in the Downturn

1. **Cash** is the first priority.
 - a. Chase all outstanding debt and liaise closely with debtors so you know what is happening in their business.
 - b. Pay creditors on time if you can. This may sound strange but it can create massive goodwill and it keeps the economy going!
 - c. If you can't pay creditors on time, tell them and agree deferred terms – even HMRC will discuss terms these days.
 - d. Conserve cash for a rainy day, for example by delaying investment programmes.
 - e. Create a simple cash plan on a spreadsheet showing when money is expected and when it has to be paid out, then monitor it closely.
 - f. Keep in touch with your bank and make sure you don't give them any nasty surprises.
 - g. Do careful credit checks on new customers.
2. **Marketing** in the downturn, when competitors are cutting back can pay serious dividends. Don't be rash, but focus on marketing that adds value for your target market.
3. **Advertising** costs can be cut by negotiating discounts – especially if you've been a regular advertiser – and by a little extra work, you can probably get similar exposure from free editorial highlighting what you are doing to help customers in the down turn.
4. **Cut back** on everything that doesn't add value to your customers.
5. **Purchasing** provides lots of opportunities to get a bargain by negotiation. Go for it, remembering to be firm but fair.
6. **Build relationships** with suppliers and customers to maintain your intelligence of what's happening in the market.
7. **Ask the staff** what money saving ideas they have: you'll be surprised what they will come up with to cut costs and safeguard their jobs.
8. **Increase control** on stock purchases, monitor how sales are going and don't just let your regular order go through.
9. **Keep staff** positively motivated by keeping them involved and focussing on doing a professional job.
10. **Don't panic**: there is always a solution.