



Tips On How To Survive In The Global Financial Crisis

1. Don't poke your head in the sand and hide from the problems if you're facing financial difficulties. Get advice IMMEDIATELY from your accountant, financial advisor or business mentor if you have one. Don't be embarrassed or ashamed, and worse still, don't keep it a secret from those who will be most affected if you face going belly-up in the crisis.

Talk to someone who can give you sound business advice; talk to your bank manager if you have to. Find out what you can do, get a few strategies in place to overcome the challenges. This has got to be top of your list of things to do.

2. Take full stock of your financial situation. What are all your costs? Everything that goes out of your pocket or out of the business earnings needs to be accounted for. Make the biggest list you can, and don't overlook anything. Write down anything from the stamps you put on envelopes, to the toilet paper, to the biscuits in the tea room, through to any wastage of your goods.

If it seems silly, so what.... Write it down. You can work with a list of all your costs, but you can't change any bad financial choices you're making if you don't know where you are making them. Once you have this list, you'll be clearer in the head about your money-picture.

3. Are you doing anything by simple habits that you have never questioned? This could be a really easy area to address - what you are looking for is the opportunity to become fully aware of any processes or activities that have been carried out in your business "the way they've always been done".

This one statement can be the make or break of businesses - sometimes it is essential to continue to carry out tasks in the same way without change, because they are already most efficient or are the only way a task can be done. Otherwise, take a good look at what goes on and see if there are new ways to do old tasks that could be better for time management, are less wasteful of resources - including the staff who do the tasks - and overall, provide for greater cost effectiveness.

4. Can you negotiate with your staff to accept more flexible terms of employment for the short term? There are many businesses who are undertaking this method of salvation for the survival of their businesses. Staff are working less hours or fewer shifts; some are willing to forego penalty rates in the short term in exchange for days off in lieu.

You may have to check what is acceptable in your state, as there may be workplace agreement regulations that prevent some alternatives. However in the current difficulties, even the regulators are becoming more accepting of changes where it means businesses get to survive for the long haul rather than letting go of staff and compounding the existing crisis of unemployment.

5. Do you encourage an environment of staff participation and responsibility? Have you asked your staff to refer business to you? Even the mechanic of your garage, or the cleaner in your kitchen, or the salesperson in your showroom can take a more active role in generating more business for you - and all it might take is to incentivize them (give them an incentive to make it worth their while), and help them out with a short script they can run off easily in conversation. Why not?

Why not turn your existing staff who may not be sales people into the very word-of-mouth representatives who know your business nearly as well as you do! Reward them for bringing people to your business. Try it.

6. Before you pay for the next newspaper ad, Yellow Pages ad, or even consider TV or radio advertising, take a good long hard look at the cost. These options are generally expensive because (1) they are untargeted, meaning that you are not sending your message out to your preferred ideal customers and (2) they are not measurable because often there is no dedicated way to track which customers are responding to which method of your business communications.

If you spend \$1,000.00 on newspaper advertising, how many customers do you need to buy through you to make it worthwhile? Is it 1 customer, 10, 50, 100? Do you know how many inquiries the advertisement generates? And do you know how many of your inquiries turn into sales?

Unless you are expert at tracking these kinds of things, DON'T use traditional advertising as your primary source of promotion and certainly don't think you have to have 30-second TV ads in prime time in order to get the phones ringing or the customers rushing in to the store. That 30-seconds of advertising is the MOST expensive branding exercise that you could ever choose - at upwards of \$30,000.00 for around 10 days of ad space.

7. Consider this - how long have you been in business? 1 year? 2 years? 5 years? 10-12 years? Or 20+ years? Add this to the thought - how many inquiries do you get through each business day? You will need some help to develop this next suggestion based on these two questions here - you may well be the expert on the topic related to your business and this factor alone could be generating income for you.

Capitalize on your expertise, and on the number of inquiries that come through your business. There could be some genuine cash advantages to you here that will definitely help you survive the current market downturn.

These tips are valuable to any business owner: to those in difficulty looking for a way out, and those not in difficulties wanting to make sure they stay that way.

If you need help to keep your business alive in the difficult economic times, contact **Terri Mitchell** at **Two Hands Dancing** to discuss marketing survival strategies for your small business.

Call 0410 670831 to talk with Terri today.