



Dealing With This Crazy Economy?

By Travis Snider, Director, Northwest Hot 100 Program

For the past year, we have been bombarded by waves of bad news about the economy. A falling stock market, distressed banking system, job losses, and lack of credit have all punctured our confidence in the future. Yet in many conversations, I find optimism from local business owners about the present and the future.

Several individuals I've talked with have had record sales in the last few months. Others have noted significant gains. If the economy is so bad, what's going on with them?

Even in troubled times, many businesses seem to thrive. They track their results and make necessary adjustments quickly. They take advantage of opportunities others miss. And they use "best management practices" throughout their operations. So how can your business be one of those? Here are several things to help you stay on track.

- **Separate regional economic trends from those affecting the nation.** Local economic indicators show that the Pacific Northwest is having a different experience than the rest of the country. Two good sources of economic trends are newsletters by Bill Conerly, www.conerlyconsulting.com, and Michael Park's Marple's Letter, www.marples.com. Both focus on the Pacific Northwest and suggest that the Northwest is in better shape than the nation as a whole
- **Separate the short term** (three to nine months) from the long term. If you expect a recession to last for several quarters, develop a contingency plan for that period. But don't forget your growth plans for the next few years. Keep focused on long-term objectives. You may be back on track sooner than you think. During the slow period, use the time to tune up your business. Work on improving productivity, developing new ideas or stepping up customer service
- **Get close to your best customers** again. What's going on with them? What help could they get from you? Their needs are changing and you could be a part of what they need.
- **Maintain your marketing presence.** Now is the time to be "top of mind" with customers and prospects alike. In downturns, it's common to cut

costs, which often means marketing. Instead, consider marketing expenditures an investment in the future. Now is not the time to be quiet.

- **Evaluate and train your employees.** Look for new recruits for critical positions. Good people have been hard to find in the past few years, but business owners have been seeing more qualified candidates lately. This may be the time to find the stars you will need for the next expansion.
- **Bring your business plan up to date** and prepare a cash flow forecast for 2009. You don't have to forecast record sales for next year, but you can focus on creating a healthy bottom line through careful planning and effort.

How long the recession lasts is subject to speculation. Some say it may be two or three quarters. Others think it could be longer. The length is not important. It's how you approach it and what you can do to strengthen your company while waiting for recovery.

There are many "best management practices" you can adopt to improve the business in the coming year. If you would like to hear more about tuning up your company, call the Chamber for a free, Northwest Hot 100 tuneup session on strategies for tackling the recession. We have lots of ideas for profit improvement.