

# **NAVIGATING SMALL BUSINESS OPERATIONS THROUGH CHALLENGING TIMES**

**Linda Hanifin Bonner, Ph.D., CAE**

**Nancy J. Mayer,  
President  
Mayer Bros., Inc.**

# Setting the Stage

- Lifestyles now
- Parents/Grandparents Lifestyles
- College Freshmen
- Needs vs Wants
- Americans vs THE REST OF THE WORLD

# THE PINK SHEET

- What will you remember?
- What will you do?
  
- THE OTHER SIDE
- America is still the greatest country on earth
- What are you thankful for?

# Red Dirt Rules

- The best things in life aren't things
- He who dies with the most toys still dies
- There are two ways to get rich.....You can make more or you can require less
- No rain.....No rainbows

# What Businesses are Facing

- Differences between **Then** and **NOW**
- Financial Challenges in Onsite Industry
- The Dual Impact
  - Development cut-backs
  - Banking & Credit
- Customers
- Regulations
- Income Sources

# Economic Challenges 2008-2009

- Stable Cash Flow
- Customer Base
- Diversity of Business
- Understanding Your Business
- Price Increases

# How is YOUR Business?

- The phone is not ringing much
- Employees with too much time
- Bills piling up
- Snapping at your spouse & anyone else in the way
- Overeating and other activities?

# Customer Base

- Do they know who you are and what you do?
- Do you know who they are – and what they need?
- How are you communicating with them?
- What are you doing to provide “value-added” services?



# Business Opportunities

- Do you know what they are and are you taking advantage of them?
- Where will the work be coming from?
- Do you have one or more services to offer?
- Are your employee resources properly trained and directed?
- What plans are in place for "contingencies"?

# Business Threats

- Overall Economy
- Overspending
- Overstaffed – poor fit or performance
- Inadequate billing – collection
- Reserves – access to capital
- Credit rating – high risk
- Lack of Business Plan
- Inadequate Marketing
- Company Performance

# Key Business Issues

- Business slow-downs/loss of customers 10%, 20%, 70%
- High overhead: too much inventory & employees
- Fixed vs Variable Costs.....Know the difference

# Action Steps: Finances

## *Cash Flow – From Customers*

- Internal credit management system
- Customer credit procedures/worthiness
- Invoicing procedures
- Customer incentives – discounts
- Credit Cards
- Late paying customers
- Collections
- Staff Assignments

# Action Steps: Finances

## *Cash Flow – To Vendors*

- Negotiate Terms
- Bank Loans/Lines of Credit
- Discounts
- Use Credit Cards...PAY OFF

# Customers

## Common Situations

- Names filed – forgotten
- No follow-up – customer satisfaction?
- Lack of referral – incentives
- New customer assessment
- Opportunities
- Marketing plan

# Action Steps: Customer

## Research and Planning Process

- Customer locations – geographic areas
- Customer needs – service expectations
- Competition – who do they call first
- Name recognition - services
- Other service opportunities
- How do they find you

# **Action Steps: Customer**

Maintain and Grow the Base

Matching needs with services & expertise

Information – respond to needs

Positive relationships

Referrals – incentives

Getting off the dead wood



# Business Planning

Can your business weather the next storm?

*The difference between a dream and a plan is that the first simply expresses a desire to achieve something – while the second identifies actions to accomplish it.*

*If you want to achieve your dreams – you need a road map that is going to show you how to get from point A to point B*

# Business Planning

- Only big businesses create “plans”
- Always excuses – e.g. “not enough time” – “too expensive”
- Does NOT have to be complicated
- Look beyond today’s problems
- Find ONE new opportunity
- Schedule a day OFF

# Scheduling Tool

Mon	Tues	Wed	Thur	Fri	Sat

- SHORT TERM

- MID-TERM

- LONG TERM

# Action Steps: Business Planning

- What are the costs & resources needed to make the goals become a reality?
  - Office/Support staff
  - Employee training – education
  - Equipment – supplies
  - Finances
  - Integrating marketing

# Action Steps: Business Planning

- Evaluate potential outcomes
  - Educated Guess
  - Best Case, Scenario
  - Worst Case Scenerio
  - Line in the Sand.....

# Mayer Bros., Inc.

Lessons from My Father  
(Born in 1920)

- Watch what you spend, EVERY PENNY
- Spend less than you take in
- Collect YOUR money
- Fix what you have
- Save your money to buy things

# The Pink Sheet

## What Changes Will YOU Make?

(My favorites)

- Know where your money goes
- Know where it comes from
- Keep up on collections
- Reorganize debt
- One new idea
- Write down Plan
- What do you NEED vs Want