

HOW TO SURVIVE IN A CHANGING ECONOMY

- by Lloyd Merritt Smigel

Have you noticed that gas prices are up? The building industry is in the toilet. No one is spending money as they used to? The overall Real Estate industry is down, and with all this going on – what are YOU doing differently? If you are still running your company, the way you always did – good luck to you. Your profits and growth figures will shrink.

So what do you do?

Uh – oh. I am going to say the “C” work that everyone hates. You have to CHANGE.

Change the way you have been doing things. Many of the companies I work with hate this, but they have to throw the excess weight off the ship or it will go down. They may even have to change the direction their boat is going. Yes, it has been a comfortable ride at sea, but the weather has certainly changed.

Here are a few of the changes you might want to look into:

1. Have a Strategy Meeting
2. Better routing – Less gas expenditures
3. Increase prices, at least annually
4. Don't sell cheap – this is not the time.
5. Be sure to get decent initials on all jobs.
6. Decide on what accounts or divisions are not worth continuing
7. Eliminate personnel that you are 'carrying'
8. Review or establish an effective sales Department
9. Increase your collection efforts
10. Review your hiring procedures to bring in better people
11. Cross Train
12. Tighten up or establish your quality control and quality assurance programs
13. Review your Marketing program
14. Look for additional add on services
15. Review Present Goals and Objectives
16. Review your training needs

The above are just some of the items the companies I consult with have been attacking.

Yes, there are more, but I wanted to inform you that if the economy continues this way – you had better be ready to “ride it out”.

If you don't make changes in the above, you may sink. I have already seen companies sell because the water is getting to rough for them.

The problem with all of the above is that in many cases the owner/manager does not know HOW to make these changes. Get help.

One of the things that I see out there quite often is that the owner/manager KNOWS that he has to change but does not want to ask for help. He or she would rather see the ship go down than to admit to anyone that he or she does not know what to do. Remember, all these big ships need tugboats to get them in to the harbor. If you need help – GET IT!

It doesn't matter what it costs to keep your ship afloat. The repercussions are horrendous if you DON'T get the help.

Most of the Family Businesses I work with have this problem from one generation to the other. It is often, at this point in time, the younger generation wants to make many changes. The problem is that some may be good and others not. You might want to get input to the decision making because the wrong decision could be fatal.

These hard times that are upon us will separate many of mediocre run companies from the good ones. This is the time to ACT not to postpone over and over and over....