



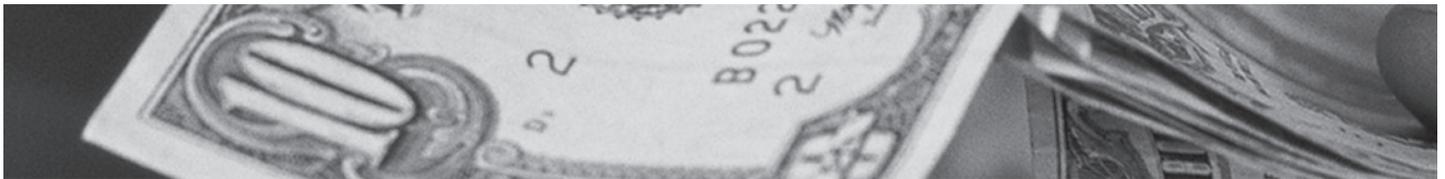
**Patricia Steiner**  
VentureSphere  
*Start Here, Go Anywhere!*  
P.O. Box 1780  
Kailua, Hawaii 96734  
Phone: 808-292-0655  
patt@vsadvisors.com

# Smart Business Brief

Advice for Success!

## How to Survive in a Tough Economy

Here are five tips to help you stay in the black.



### **Advertise. Advertise. Advertise.**

Your first reaction in a slow economy might be to cut back on advertising, but can you really afford to go unnoticed? Don't abandon your marketing efforts. Instead, look for ways to get more bang for your buck. Your printer can offer cost-saving approaches for marketing pieces and direct mail and might match competitors' rates. Radio, print, and TV sales representatives may be more willing to negotiate prices for frequency. Try alternative online marketing channels such as e-mail marketing, blogs, and mobile advertising. Deliver presentations to community business or social groups, or arrange to offer an adult education class at a secondary school or local college for free, or a small fee. Speaking can be a great way to build business recognition, establish credibility, and show your community how much you know.

**Review your budget.** Keep on top of your expenses. If money is tight, it's time to cut non-essential expenses from your budget in order to ensure you have the funds necessary to pay the utility bills, make smart inventory purchases, or buy that necessary soft-

ware update. If you need to expand your advertising to woo more customers, look for other areas in which to make budget cuts to free up the necessary funds. If you do have extra capital available, this may be a great time to expand your business and divert extra funds into new endeavors or a new niche to gain a competitive edge. Since other businesses may be offering deeper discounts to increase sales, it may be the right time to make a major expenditure that will help you to pull ahead of your competition in the long run. And make sure your staff with spending authority know the plan and your priorities.

**Keep on top of accounts receivable and payable.** Losing track of invoices? Make sure your thirty day terms are not being stretched out to 45 days or longer. Set limits on the amount of credit (if any) you are willing to extend a non-paying or new customer. Pay your bills within the proper time frame to avoid incurring extra charges, but don't pay so early that you limit your cash flow.

**Take a look at your bottom line.** If your customer base is feeling the pinch and your sales are declining,

raising prices can be a difficult step to take. However, if your expenses are skyrocketing, you will need to make changes in your purchases and/or look for ways to pass part of those costs on to your customer. Another tactic may be to market to a more affluent customer base or to focus more efforts on a particular niche of your business that brings you the best return. Consider charging extra for your extras, similar to the way hospitals charge separately for the tissues, water pitcher, etc.

**Consider taking out a loan.** Whatever you do, avoid racking up high interest credit card debt. If you've got a solid bottom line but are hitting a bit of a dry spell, talk to your local bank or government sponsored loan agency about taking out a business loan. Although it is more difficult to secure a loan in a tough economy and loan applications will be scrutinized more carefully, it may be the right thing for your particular situation. As always, ask your accountant, local government small business agency, or other knowledgeable financial professional for advice and help in putting together, or revising, your business plan.