

# BELOW THE FOLD/SCROLLS

## Upside of the Downturn

### The Latest on the Economy (0:14)

1. Reduced credit lines
2. Layoffs at epidemic proportions
3. 18 percent of US household wealth sapped -- WSJ
4. Record foreclosure levels
5. Lower real estate values
6. Low consumer confidence
7. The Stimulus - Where are we along the pipeline?
8. ARRA
9. \_\_\_\_\_
10. \_\_\_\_\_
11. \_\_\_\_\_
12. \_\_\_\_\_

## Upside of the Downturn

### The Downturn and Small Business (0:24)

Credit market freeze changes the borrowing rules

Weaker demand for products and services

Decreased profits

Slower collection of receivables

Higher owner personal debt

HR, employment challenges

Competition from new entrepreneurs

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_

## Upside of the Downturn

### Opportunities (0:36)

Weakened competitors

Top-quality employees

Loyalties loosened

Government procurement

The Economic Stimulus - What it means for small business.

- SBA lending initiatives overview

- Stimulus grants??

- “Shovel-ready”, construction, infrastructure and energy initiatives

Trends/Opportunities

- Export

- Niche - anything practical - integrating “now”

- Entertaining - diversions - “insperiences vs. experiences”; cocooning

- Aging baby boomers

- Pets

- Health

- Innovation

- Construction

- Anything green - save environment, save energy, save money

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## Upside of the Downturn

### Financial Strategies (1:25)

Cash is KING

Manage your margins

Renegotiate debt

Seek supplier and contractor discounts

Monitor the creditworthiness of your customers - and THEIR cash flow

Timely invoicing and collections

Prepayment incentives and discounts on long-term buys

Curtail unnecessary expenses and unprofitable activities

Protect your credit

Reduce, eliminate or charge for convenience services

Nurture your lender relationships

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## Upside of the Downturn

### Operations Strategies (2:40)

Adjust processes, expenses and inventories to current level of sales.

Negotiate expenses – rent, telephone, advertising contracts, etc.

Reconsider insurance needs and shop for better rates

Use open book management; create employee awareness of their relation to bottom line.

Recruit the best talent you can afford.

Invest in your employees (and yourself) with training opportunities.

Consider reducing work hours in lieu of a layoff.

Outsourcing vs. in-house.

Get smart about estimating and bidding.

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## Upside of the Downturn

### Marketing Strategies (3:28)

Network, network, and network.

Assess the effectiveness of your marketing. Eliminate what does not work.

Consider increasing marketing budget, not decreasing.

Resist temptation to lower prices; instead, create added value.

Diversify revenue streams.

Nurture your existing customers.

Expand the definition of your target market.

Hug your customers.

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### SBDC Tips and Tools

1. Marketing tips: [www.famee.org](http://www.famee.org)
2. Managing financial strategies: Fiscal and Optimist
3. Evaluating business model: SMART assessment
4. Information: Hill Search
5. One-on-one counseling: Chamber circuit ride; site visits
6. Government contracting tips <http://www.sba.gov/contractingopportunities/owners/index.html>