



SURVIVING THE TOUGH TIMES



We have been through it before and will do so again, just make sure you focus and are on top of all things requiring your immediate attention. Be mentally tough and emotionally strong; learn to bend, real success is sustainable – even in tough times! It is best to get “back to basics” with proven strategies and tactics, which also gives you the opportunity to get your affairs in order.

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Try not to panic and fall into a negative mindset, it is a natural response to not like change and disruption, none of us do, but be aware it is more dangerous to ignore and resist imminent change. Have an open mind, if you wish to thrive during “tough times” you need to continue to innovate and know that a good product or essential service will always be in good demand.

Ask yourself what are the primary causes of your problems?

Once you spot potential problems you will be able to plan on how to respond. Here are some possible problems – let’s work through this checklist:

- > **Firstly, look for internal problems such as outdated internal systems:** It’s not unusual to discover that your processes and procedures have not been monitored as closely or as critically as they should be.
- > **Unproductive staff:** Do you really have a clear vision of who you are employing and are they in the right position to help or will they hinder.
- > **A Poor Business Plan:** Most businesses, reportedly more than 80 percent, don’t have one at all, if you had one would you follow it?.
- > **Stock control:** Mostly stock isn’t a big issue? Perhaps but it’s worth looking at redundant stock, over orders etc.
- > **Sales:** Who is in charge, are you doing sales meetings, are you reviewing weekly sales leads, how about the follow up calls.
- > **Marketing:** THE most ignored area what percentage of your sales do you dedicate?
- > **Electronic marketing:** You are not keeping your clients updated and informed – someone else will – it’s that simple.
- > **Website:** Most companies just have an e-

Brochure online – is that what your clients expect out of your business – NOW?

- > **Ability to build relationships with clients:** Have you developed a repeatable way of keeping in front of your clients – or do you think they will just keep coming back?
- > **What percentage of mistakes are you making:** Even low numbers of mistakes can cost 3-4 times the perceived cost.
- > **Servicing and delivery issues:** How are your delivery dates, are you over promising and under delivering!
- > **Facilities layout issues:** Poor layout burns profits by wasting employees time in traveling around the factory and opens the door for poor performance.
- > **Invoicing:** Cash flow is king – are you on top if it?
- > **Financials and reporting:** Do you know last months figures, how about last weeks or yesterdays?

Let’s review your Processes and Plans

I have broken up the areas you need to work through and dissect. Don’t be afraid to ask your staff for help as most employees are capable of identifying what is required (especially in their area) and sometimes see things from a different perspective.

- > Ask your employees how jobs can be done more efficiently (in their area) and what their ideas are for reducing costs and increasing customer satisfaction – possibly offer a reward for the best performing idea once it has been implemented.
- > Involve everyone, demonstrate commitment and inspire a culture of efficiency.
- > Help your employees feel confident that their

jobs are secure, keep them in the loop – they are a key to your success and once they feel safeguarded you will build a stronger team who will remain loyal.

- > Check your records and processes – are there any lost sales, unbilled stock or hours, or any unnecessary costs?
- > Can you confirm that all purchases of stock are tied directly to a certain job?
- > Are your invoices generated on time?
- > Review all of your processes and work instructions from how your team answers the phone to how they greet customers, through to sales processes and developing a solid customer database. Refers back to the first point of finding the root cause of your problems.

Financial Management

Pay attention to your cash flow. Look at ways to improve your spending and save on costs. A suggestion of other items to look at;

- > Maybe you could offer your customers an incentive to pay their accounts on time and keep them within your trading terms.
- > Look at how you could reduce the length of time that jobs are “in progress” prior to invoicing.
- > Can you reduce the length of time stock sits on the shelf? As this will lower your working capital and give you the opportunity to review normal stock levels.
- > Try to negotiate better payment terms with your suppliers, do not pay early unless they offer a discount.
- > Avoid non-essential costs and be aware of each dollar your company spends.
- > Question every controllable expense and fixed cost (be aware of the time spent on this exercise as it won’t generate any business)



- > Review your margins – how much does each product attract and what is the marketing spend that each product requires?
- > Do not consider a discount strategy unless you can introduce an additional lower priced alternative.
- > We suggest avoiding the temptation to strike a percentage off your invoice as sometimes this undermines your worth.
- > Focus on your products that move and sell which gives you the opportunity of reviewing your inventory and set new targets. Slow moving stock needs to be moved and you may possibly need to discount these to get them sold.

Mergers

Be aware of your business and if it is in good shape you may be able to acquire a struggling one, giving you the opportunity for more customers and build your market share.

How can you look at this with a positive outlook?

Every cloud has a silver lining – there are many positives!

- > It's probably the only time you're going to be able to get an audience with normally loyal clients who when the going is easy rarely even change suppliers.
- > It's a reasonable observation people in hard times are on the look out for a deal – it's up to you to create a 'killer offer'.
- > It's not just about price – a balance of really listening and understanding just what the customers needs are will often win a deal as you can cater for the real needs.
- > With such a high degree of focus, your business will bear the fruits of the focus on revamping it.
- > Use the down time wisely – ask your self when you last painted the lunch room, painted the reception, etc. – a revised work place WILL enthuse people and that positive effort generally will not go unnoticed.
- > Revamp your image – a change IS as good as a holiday.
- > Maybe it's time for a well deserved holiday?
- > They say cutting the dead branches of an old tree will create new growth?
- > Rebuild the sagging infrastructure – can you honestly say EVERYTHING in your office and factory is exactly the way you want it?? – then change it!
- > Examine the work and process flow – intimately.

Still not sure what needs to be done, send us your email for our free Checklist and start helping yourself now! Call 02 9660 5428 or email John@controlzone.com.au

but do not cut any expenses that directly impact the strength of the relationship you have with your profitable customers.

- > However tempting it may be to increase borrowings, this in turn will increase interest costs, which can compound by potential rises in interest rates. The alternative is to keep a vigilant eye on costs and make sure your business remains cash flow positive when compared to the reduced level of income being received.

Commitment / Customers

Your customers and prospects are your most valuable asset. Even more is your relationship with them and what you are known for. Be aware of the following points;

- > A good database produces business; therefore it is imperative that your database is kept up to date, register every call and follow up.
- > Stay close to your customers and improve relationships with them, creating opportunities for new and repeat orders.
- > Make sure your sales team, as well as yourself focus on your customers; what are their plans? How can you strengthen your relationship with them? Are they aware of the range of goods and services you offer? Suggest solutions that will add value to your customers' strategies.
- > "Cull" your clients that aren't the right fit, don't waste valuable time and energy on "smaller one offs".

Advertise / Market Share

I know you probably think that you can cut some of your costs by not advertising – but don't! Be realistic, you need to let your customers know who you are, your range of products / services and that you are here to stay! You can't afford

to be boring, give your clients a compelling call to action and offer them outrageous offers, add greater value, use testimonials, and bold guarantees are just a few hints of letting your clients and potential customers know that you are a well respected and knowledgeable company.

- > You can cut costs by considering low cost marketing channels such as online; prospect emails and search engine optimisation (SEO) as these will introduce your business to many new potential customers and allow people to more easily find your business and products.
- > Your website is a reflection of "who you are" it is imperative that you keep it updated and current, otherwise you give the wrong impression. Be aware that many will find you by accident, hundreds who know you and just stopped by for a look and some others that will find you by searching for specifics. Your website must exude confidence, that you are an expert of your product / service / field!
- > Consider running price promotions and / or quantity discounts.
- > If you do have advertising space, do some research and look at locking in a more favorable role / cost, as this advertising space is likely to be more negotiable during times of down turn.

Make sure your marketing;

- > Gets attention
- > Arouses interest and emotion
- > Tells an interesting story in a believable way
- > Offers an incentive to take action now
- > Ask for "action", makes it easy for customers to do what it is you want them to

Another area for review and some suggestions are as follows;

- > Review your entire product range and focus on the successful ones and discard the less effective ones.