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## Staying Afloat During Tough Economic Times



By *Brian Miller*

Business owners are facing some of the most economically challenging times our country has seen in decades. As the current financial storm permeates all levels of the economy, we need to realize that none of us can control the global economy or predict the market, so it's best to hunker down and focus on what is within our grasp—sustaining our businesses. For small business owners in particular, there are some critical skills needed to staying competitive in this market.

### Six Tips to Survive the Current Business Climate

1. Leadership—You can bet that if you're worried about how the economy is affecting your business, your employees are as well. An employee who feels uncertain about his future will not be a productive employee. To manage productivity and keep your staff motivated, it is imperative that you communicate regularly with your people. Share your thoughts and concerns with them, but most importantly, tell them your plans for riding out the storm. Employees want to know that there is a plan and a captain to navigate the ship through the storm. Have frequent meetings, celebrate successes, and ask where the team needs help. It's likely that more team members may be picking up additional duties to account for a possible reduced workforce.

2. Financial Management—Managing your income and outgoing costs of doing business is one of the basics of business success. However, it's even more critical in a challenging economy. If this is not your strength, hire someone who can give you some good advice. When managing cash flow in challenging times, there are only two ways to increase your income flow. One is to create new lines of revenue, and two is to cut your expenses. Cutting costs such as travel expenses and office supplies, and reducing overhead will save you money in the short term. You also need to identify the key performance indicators (KPIs) that are critical to manage your business, such as leads generated, leads converted to sales, average cost per sale, mark up, gross margin, breakeven, and working capital.

3. Continuing Education—Many business owners become the technician of their business and spend more time doing the technical or operational work, than driving revenue through marketing the business. Now more than ever, you need to continue the learning process. Look for ways to re-engineer your business, and prioritize your energies by spending time on those things that matter. One way is to improve your managerial and entrepreneurial skills.

4. Networking and Marketing—Always remember: “you” are your brand, and a critical part of your marketing plan should be to become visible in your community. Do people connect your name with your brand? Being visible in your community will help build brand loyalty, bring opportunities for growth, and add to your credibility as a business leader. Host events that educate and inform, as well as build brand awareness. Give referrals to get referrals. Also, don't forget the global community. Social networking groups such as Linked In can bring business through referrals and add to your brand equity.

5. Maintaining brand visibility—In many companies, marketing is undervalued, mainly because it is not always measurable and is considered an overhead expense rather than a true necessity to success. The knee-jerk reaction is to cancel your advertising plan, marketing efforts, and public relations tactics, but this can really hurt your brand. If people suddenly stop seeing your message, they will start to wonder if you are still in business. In times like these, it is essential to remain top-of-mind with your market. You can find ways in which you can spend your marketing dollars smarter, but don't stop sending the message.

6. Partnering with a Business Coach—With the growth of small businesses and franchises on the rise, entrepreneurs are turning more and more to outside coaching for rapid impact strategies and a quick return-on-investment. Consider working with a business coach to help you develop or refine your strategic business plan and to hold yourself accountable for the goals and plans set forth. Negotiate upfront on their fee, and commit to the relationship. They can often provide objectivity and coaching that can bring your business to the next level of performance.

If economic history repeats itself, as it tends to do, our job as business owners is to ride out the current storm as effectively as we can, and learn from it. These times can challenge our ingenuity and willpower to succeed. By staying the course, leveraging your expertise, and keeping your current customers happy, your next challenge will be to think of new ways to grow your business.

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[Back to Consulting News: December 2008 main page](#)

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