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How to stay afloat in the current economic condition..

With the doom and gloom of the world recession on every radio, T.V. and newspaper at the moment it is very easy to look at how to cut costs and to hold on tight to what you have. That's not always a bad thing, but you need to be wise and what you cut back on and what you hold tight to..

One example is that because we are wanting to hold onto our hard earned cash, often it is the **Marketing Budget** that is the first to go.. *This is NOT a good idea.* If anything, the Marketing Budget should be increased, not decreased. With customers more difficult to find, you want to be the one to find them, not your competition and if you're not out there marketing, then you don't have much chance.

Current Customers become even more important now. You want to hang onto them and make sure that they don't cut you out of their budgets. Keep in touch with them, set up a system to contact them on a regular basis just to "check in on them" and as well as keeping in touch, it is a good way for you to get information on what's happening in the industry. Look at ways that you can add value, that won't cost you big financially.

Cost Cutting can't be ignored, but again this is where you need to be wise. Don't go putting off your key personnel just because you pay them the most. They may be the ones who can come up with the best ideas or keep those important clients. Consider things like evaluating the costs of your insurance or superannuation schemes; look at refinancing options; are there better deals out there? If you are paying a full time Accountant, consider taking on a Bookkeeper to free up your Accountant to work on growth plans. Look at ways that you can save energy and reduce your carbon footprint. There are a lot of Government subsidies out there at the moment that you might be able to take advantage of.

Consider ways to **diversify your income**, particularly if you are heavily reliant on one client. If that client goes under, it leaves you far too vulnerable. So as well as looking for new clients, consider ways to provide added services to your existing customers or ingenious ways of generating income.

Make sure that you have a budget and that you set aside time at least monthly to look at and **monitor the financial status of the Business** and consider your Cash Flow and any actions that might need to be taken. You should know what the current status is of your Business at least at the close of every month.