

**REPORT CARD
on the
ECONOMY
1st Half ~ 2009**



Hardesty Hackett & Partners

**Advice & Counsel for
Small & Medium Businesses**

After a dismal first quarter, there's movement in the economy away from total disaster. Credit is improving although still tight; employment is terrible and going to get worse; residential building is still in the doldrums though the pace of decline is easing up a bit; and the country's banks are showing signs of life . . . finally.

Small business owners must adapt a strategy to survive in a recession (quasi-recession).

Everyone in business has slow times; those that say they don't are simply not telling the truth. You are talented and have proved successful. Your talents, knowledge, goods and services are valuable; many of your customers over the years have found them so. This economic lull is temporary. The phone will ring again and people will get hired.

Recessions do not last forever. Historically recessions have lasted an average of 17 months. Recent recessions have lasted an average of only 12 months. The reason is a shift from an industrial manufacturing society to a service and information society.

When the economy was based mainly on heavy industry, economic recoveries took longer because the selling cycles of big ticket machinery and equipment are slow – often 12 months or longer.

But in a service and information economy the purchases are smaller and purchase decisions are made faster. Therefore business can pick up faster.

Don't despair and don't give up too soon. We may have several more months of slow or non-growth but.... The end is in sight.

Do you think the recession is here for a while longer? If yes, you've got a lot of company. Many economists have predicted many more months of gloom and doom.

It doesn't take a recession or even a soft economy to create problems for your business. Every business has its ups and downs. You need to develop business generating strategies that work even when times are tough.

Many small business owners fear a recession or a softer economy, reasoning that if the economy is poor, customers will curtail projects, stop spending, sacrifice quality and only make buys from low-priced vendors.

All of this is true, but only to a degree. An economic slowdown can be problem for your business or can be an opportunity to gain new clients and boost lagging sales - but only if you know and implement the marketing and sales methods that work best in recession times.

Here is a list of strategies that successful small business owners practice while their competitors struggle to stay afloat. Apply these techniques to your own marketing and selling efforts during this recession and you will survive – even prosper – when others are struggle to get by.

Click Strategies:

- 1. Reactivate old customers
- 2. Reactivate old leads
- 3. Help your customers create new sales for you
- 4. Give a superior level of service to your customers
- 5. In bid situations, quote reasonable affordable fees and prices.
- 6. Use low cost 'add ons' to generate additional revenues
- 7. Do not come off like a prima donna
- 8. Hold off on any planned price increases
- 9. Slightly downgrade your acceptable customer profiles
- 10. Plan an aggressive new marketing campaign
- 11. Reconfigure your offerings to accommodate smaller customers and reduced budgets
- 12. Add value to your existing service
- 13. Keep busy doing those things that you never seemed to have time for
- 14. Transfer your marketing services from off-line to on-line
- 15. Stay strong – Be positive

Need help with any of these strategies?

Give us a call and we'll go to work for you.



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