

Focus on the Fundamentals



Claim Your Own Economic Recovery in 2011



The beginning of a new year is the perfect time to revisit tried-and-true operating fundamentals that have served businesses well since early barter days.

Regardless of where your business is on the economic recovery time continuum, focusing on these fundamentals, and others, will produce positive results quickly.

- 1. Declare war on excess inventory. Don't miss a sale; but don't let one piece of inventory spend the night in your building unless it's essential.
- 2. Review all operational steps, and eliminate or fix inefficient ones. Focus on the pennies; the dollars will take care of themselves.
- 3. Review all contracts for services received to make sure you still need them. Your customers are doing the same thing, so get ready.
- 4. Interest rates are still low. Talk with your bankers about adjusting any outstanding notes to the new rates.
- 5. Keep your bankers informed about how things are going. The title of the shortest book ever written is *Loan Officer Courage*. An uninformed banker is a scared banker, and no one ever got any help out of a scared banker.
- 6. Employees spend most of your cash. Have a meeting, and ask them to help you identify ways to maximize margins and cut expenses. Write those things down, and put them into the new budget and your operation. What's their motivation? How about job security?
- 7. If you rent, have a pow-wow with your landlord. Get any concessions you can, and don't be afraid to be creative. But remember, the more the landlord moves in your direction, the longer the lease commitment will be expected.
- 8. Convert non-performing assets to cash, even if you have to short-sell something. What things were worth last year has no bearing on what they're worth today, and they will be worth less tomorrow. If it's not performing, cut it loose.
- 9. Profit is the Queen of business, but cash is King. Tighten up credit terms with customers. Have a meeting with your sales staff to make sure they understand the new policies. Stay close to your accounts receivables – real close.

- ❑ 10. If possible, personally call on every customer soon to have a business visit, not a sales call. Lay out your case for how you will serve them in the coming year, but also reveal what the relationship needs to look like for it to be good for you. Think partners, not adversaries.

Write this on a rock ...



Focus on the fundamentals, and claim your own economic recovery in 2011.

Helping small businesses survive and ultimately grow is what we are all about. We've been around the block a few times. Let us help you get to where you want to be . . . *faster!*



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