

Excelling in Tough Times

The next several years will present serious challenges to all businesses. With unemployment rates rapidly escalating, banks cutting off credit, and consumer confidence plummeting, many businesses will fail or see their revenues significantly decrease. By adopting the right approach and attitude, however, a handful of businesses will be able to take advantage of the opportunities this market presents them and will strengthen and grow their businesses during these times of economic contraction. What then can you do to strengthen your business over the next several years?

- **Reduce Expenses:** Review every recurring expense and aggressively renegotiate pricing and credit terms with your vendors. Many vendors would rather reduce their prices or loosen credit terms than lose business. If necessary, switch vendors to those that will provide you with better pricing. Rent is often one of the biggest recurring expenses that a business incurs. Review your lease and evaluate your options for obtaining a rent reduction from your landlord. If your lease is expiring soon, take advantage of the decline in rent rates and aggressively shop for the cheapest possible deal. You may ultimately renew with your existing landlord but having market information available to you and offers in your pocket will let you negotiate the most favorable deal. An experienced and reputable real estate broker can help you here.
- **Employees:** For an employer this is now a buyer's market. Take advantage of it. Take a hard look at your employees and determine which are valuable and which are under performing. There is much talent out there to be hired. Upgrade the quality of your staff without incurring an increase in payroll.
- **Reconnect with your clients and customers:** Don't take your existing clients or customers for granted. Contact each client personally and make sure they understand that you value their business. Each year I make a point of asking each of my clients to review the quality of our services. I meet with them personally to discuss their observations. Now more than ever you need to make each client feel as if they are the most important client of your firm. It is far easier to keep an existing client than to find a new one.
- **Evaluate any weakness** in the quality of the work that your firm performs: Make sure that you are providing an exceptional product or service. Address any deficiency immediately. Replace any underperforming employees and, if affordable, upgrade your infrastructure.
- **Aggressively pursue new business:** Many of your competitors will be impacted by this economic downturn. They may be required to make cutbacks in staffing, delay making much needed infrastructure upgrades or take other actions which may seriously compromise the quality of the work they perform. This is an ideal opportunity for the well-positioned firm to increase market share by picking up the dissatisfied clients and customers of these firms. How best to do this?

- **Marketing:** This is not a time to scrimp on marketing. Use intelligent marketing through public relations, advertising, direct mailing, cold calling etc. to get the message out that you're still in business and provide a quality service.
- **Networking:** Network like crazy. Attend events where you might meet people who could be potential customers. Let your professionals, vendors and existing clients and customers know that you're actively seeking new customers. Perhaps there are people they can refer you to. Don't be shy! And make sure that all your contacts are aware of all of the lines of businesses and services you can provide. Sierra Realty provides a full spectrum of leasing brokerage and property management services. It is surprising how many of our leasing brokerage customers are unfamiliar with our property management services and vice versa. We continually need to educate them so that they can refer new business to us. Don't assume your clients know everything that you do.
- **Leverage your relationships:** Use the business that you give your vendors and professionals as a way of encouraging them to refer potential customers to you. When I hire a new vendor or professional I make it clear that I expect them to refer business to my company.
- **Incentivize your employees:** Think about giving your employees incentives for finding new business for the company. Make your employees "partners" in your enterprise. Incentives can range from gift certificates to a percentage of the business they initiate.
- **Get involved:** I urge every one of my executives and employees to get involved in organizations outside of work. These can be religious organizations, alumni organizations, charitable endeavors, community groups, sports leagues, political clubs, reading groups etc. The list is endless. Not only can it be amazingly gratifying, it is a great place to develop relationships with people who might be able to refer business to your company.

Tough economic times are difficult for all. The uncertainty of what is to come can unnerve even the most seasoned of business executives. Yet by following some of the steps outlined above and taking a proactive approach to the economic downturn, a savvy business owner can not only survive this market but emerge from it a stronger and better company.

— James R. Wacht

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