

By Willy Campbell

Small Business Survival Time

These are very difficult times that require every small business to reassess its game plan. Facing a recession is about facing down fear and focusing on the action steps to succeed. Small businesses that act now to cut costs, refocus their product mix and concentrate on marketing will be poised to succeed.

As many of you know, I am a member of the Sandhills Chapter of SCORE, “Counselors to America’s Small Business”. SCORE is a nationwide nonprofit association of expert business counselors who provide free and confidential business counseling to small business owners. With SCORE available locally there is no need for any small business to face the recession alone. Entrepreneurs can count on SCORE for confidential mentoring to plan a path for success.

Let’s look at some essential survival tips.

1. **Don’t panic.** Be calm and realistic as you review your business. Focus on the fundamentals and what you can control about your business. Look at new ways of doing business. Your competitors may be struggling too. Take the necessary steps to make sure your business survives.
2. **Find ways to cut costs.** Monitor cash flow weekly. Cut overhead and hold the line on price increases. Make sure you have good collection policies and diligently seek timely payment. Keep good records of your inventory and be careful not to overstock your shelves.
3. **Revisit your Business Plan.** Get a tight focus on the next six months. If you do not have a plan, or if you have not reviewed it in the last 12 months, this effort is essential. This area is one where the volunteer experts at SCORE can bring you major expertise; in addition to asking the hard questions, they have experience in strategic planning, cash flow management, sales forecasting, marketing and business mentoring.
4. **Continue your marketing.** This is the time you need marketing the most! It reassures your customers that you are still there to serve them, and it can help you reach new markets to sustain your business. Visit your existing clients to find out how their needs may have changed. Adjust your product and service mix to meet changing demand.
5. **Plan carefully for any financial assistance.** Many businesses will need a line of credit just as they would in more normal times. However, the credit crunch is causing the lender to take a significantly more restrictive appraisal of such requests. Businesses that need financial help should contact SCORE. A business owner has a far better chance of getting a loan with a solid business plan, a solid financial plan and a clear credit request. SCORE can help entrepreneurs plan on ways to get business credit ready.

6. **Consult your mentors.** Get feedback from informal advisors you trust. Experienced SCORE mentors are here at the Sandhills Chapter to help you plan actions to survive the recession and grow when the economy turns around.

The Sandhills Chapter is very active in counseling, mentoring and presenting free business seminars. The next seminar is on Retailing and will be held 7 February at Sandhills Community College. This seminar is especially relevant to small businesses in these difficult times. All seminar information is on our website. The website also contains a wide amount of information for small businesses: all previous ASK SCORE columns, a sample Business Plan, web links to many important small business sites, a Request for Counseling form, and much more. You can reach the Chapter via the web at www.sandhillsscore.org or at 910-692-3926.

Remember – send your business questions to me at www.contact@sandhillsscore.org and don't forget to provide a way to contact you. I may not be able to answer all of them in this column but every one will receive a personal answer from one of our Sandhills SCORE counselors!