



Managing Your Business: Ask SCORE

Stand Up to an Economic Downturn with Good Financial Practices

Broad economic slowdowns can often trickle down to small businesses, including those in relatively stable industries or geographic locations. Individuals tend to cut back on discretionary spending while corporations curb routine activities, delay major purchases and shelve new initiatives.

For many small businesses with limited resources, these and other factors often combine to pressure bottom lines past the breaking point, creating a domino effect of other dilemmas such as a credit crunch or layoffs.

A downturn doesn't have to spell disaster for your small business, however. Good financial management practices will help you weather even the worst of economic times, and be ready to capitalize on new opportunities that will inevitably come when good times return.

Begin with the basics. Even when times are terrific, no small business can survive without good record keeping, budgeting, cash flow monitoring and credit management.

Consult your bank. Lenders can tap their vast experience in economic cycles to advise you on issues specific to your business and industry. Depending on your projected long-term expenses, consider arranging a line of credit in case a cash flow gap occurs.

Be on good terms with your creditors. Falling behind on payments is never the answer, even if it's "just this once." Creditors will be more amenable to renegotiating terms to small businesses they consider to be conscientious and reliable.

Watch your receivables. By the same token, you need to stay on top of any outstanding debts to your company, particularly problem accounts. Be firm, but also willing to negotiate where appropriate.

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Scrutinize your spending. Rather than arbitrarily slashing your budget, strive to spend only on those things that have a justifiable positive effect on your business. That will make it easier to redirect money to areas that enhance business performance.

Step up your review of financials. Assessing your reports weekly or biweekly rather than monthly will put you in a better position to make informed decisions. Similarly, a monthly or quarterly review of your business plan enables you to adjust your strategy and direction to changing market conditions.

Keep marketing in the mix. Look for cost-effective ways to keep your company visible to current customers and potential new markets. They may be ready to restart their spending long before the headlines proclaim an end to the economic crisis.

The Mobile SCORE chapter operates out of the Mobile Area Chamber. Visit www.mobilescorechapter.org. To schedule an appointment with a local SCORE counselor, call 431-8614.



Parrish Tatum knows how to make history.

...and that's before he gets to work.

If historic renovation and restoration is one of your passions, talk to Parrish Tatum. He recently restored a 108-year old home in downtown Mobile. Or if you want to get great tennis tips or hear about the time he met Pete Sampras, talk to Parrish. And if you're a music aficionado, so is Parrish. He's a wiz at banking, too. Giving our customers the highest standard in service is his daily goal. And it shows from the minute you meet him—which is something you really should do today. Come by and see why Community Bank and our people are like no other bank you know.



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