

Small Business Solutions

Be loud, be proud, be heard

Things are looking grim but now is not the time to pull down the shutters, writes Megan Johnston.

Dr Greg Chapman, the director of advisory company Empower Business Solutions and author of **The Five Pillars Of Guaranteed Business Success**, says there is a shakedown of poorly managed businesses in every downturn but this creates more opportunities for others.

“You could almost say it is Darwinian,” he says. “Attention to detail on the bottom line may not be there for many business owners while they’re making lots of money ... but during a downturn it’s essential they do so.” Chapman says many businesses fail to adjust their marketing strategy to changing economic conditions.

“The big mistake businesses make is assuming that what works in the past will work in the future,” he says. “Business owners need to do a detailed review of their market and understand how it has changed; it might mean changes to the promotion of the product or changes in the product itself.

“The other aspect is whether they should consider a different market.”

Chapman’s list of mistakes includes cutting effective marketing and advertising, not tracking sales, inappropriate discounting, neglecting existing customers and cutting costs too far. The most obvious warning sign is a reduction in inquiries, followed by a fall in sales, he says. Other signals include more price shoppers or complaints, or steady sales but falling profit. Chapman urges businesses to get the right support – and early on.

“When times are doing well [owners] think, ‘I don’t need any help,’ and what happens in the tough times is they say, ‘I can’t afford any help,’ – so they never get any help,” he says.

(Excerpt Sydney Morning Herald January 27, 2009)