

10 Business Strategies to Help Cut Costs and Increase Revenues in Tough Times

You've heard the saying "when times get tough, the tough get going." It's great advice to follow, especially in an economy where people are keeping closed fists on their wallets. As a small business you might be asking, I want to "get going" but how do I do it? Well, these ten tips from Women's Enterprise Centre's Business Advisors will help you generate some new ideas and give your business the boost it needs.

1. Do something different

Your livelihood is dependent on your business, so you can't just roll over and say "it's the economy" if sales are down. Every single day try and do one thing differently. It could be as simple as rearranging a window display to redesigning your telephone sales pitch. Whatever you do in a recession, you can't do the same things over and over and expect different results.

2. Get out your magnifying glass

Take a closer look at what's happening in your business by viewing it from a customer's perspective. Is there room for improvement or additional services or products that you could offer? Review any feedback you've received and see if you can implement some changes that will help you meet your customer's needs better.

3. Sharpen your pencil and keep control of your cash

Now is the time to take a really hard look at your cash flow and analyze your findings. Ask yourself these questions: What parts of the business are the most profitable? Are there any discrepancies in pricing? Are there any functions within the business that are wasteful or unnecessary? Take the time to review where your costs could be reduced in order to increase your cash flow.

4. Lead for success

Never has it been more important to take the time and step back from daily tasks in order to successfully lead your team. Communicate your goals and your vision for your business to all stakeholders. Involve your staff and others in developing ideas and plans to meet those goals

5. Identify your talent

One thing that will help to increase revenues is your frontline people, often your customers' first point of contact. Make certain that these key positions are staffed by your most talented employees. You want your strongest customer-oriented face forward in a time when customers are clinging to their wallets.

6. Turn on your creativity machine

Look around you. Did you know that the entire make-up industry was created during tough times? A little inexpensive luxury for women was welcomed with open arms (and faces) and turned into a billion dollar industry. Ask yourself – what products or services in my industry might be most welcome when money is tight? Who might I work more closely with? What else do customers want? Ask for input from your most trusted contacts and mentors. You cannot think outside the box if your head is in the sand.

7. Untangle your policies and procedures

Are you a small business with enough red tape to compete with the biggest bureaucracies? Take a close look at policies or procedures that could be controlling sales or cash flow. Is there a way to make your collection policy more manageable? Do you have suppliers who are unreliable? Are there 27 steps in your customer service manual? Unravel some of your policies by looking at their overall efficiency and effectiveness, then streamline some area of operations.

8. Never stop marketing

Pay attention to your current marketing from a budget perspective, but especially with regards to return on investment. If you're not evaluating your marketing strategy, how do you know what's working? Research tells us that companies that survive tough times never stop marketing. Make marketing your focus and don't let a limited budget stop you. There are hundreds of ways to promote your business on a shoestring, so get creative!

9. Look for opportunities

In tough economic times, the gains that you make in your business will endure through time. This is an opportunity to connect with other businesses, make new alliances and even find new sources for customers. This is where your creative machine needs revving up. Step out of your old patterns and get past the "we've always done it this way" roadblocks by looking for ways to take advantage of the many opportunities that exist. You will be surprised at some of the creative ideas that can come from this exercise.

10. Have fun!

I know, it's easier said than done. But really, if you're not having fun, it shows up everywhere! If you're blaming the recession, or blaming anything or anyone, your business will become more of a burden than it needs to. Your staff won't be having fun, and in return your customers certainly won't be having fun. Depending on your business, fun can look exceptionally professional, or downright silly. If you're in the funeral business, this may not apply, but any business can benefit its bottom line when the owners and staff are genuinely enjoying what they're doing. Fall back in love with your business, and re-discover all of the wonderful reasons you chose to be in business in the first place. This may just give you the fuel to move ahead and try something new - especially in tough times.

If you have a question or need some help, our Business Advisors are only a phone call away.

Women's Enterprise Centre is the go-to place for BC women business owners for business loans, skills training, business advisory services, resources, publications and referrals. Call us at 1.800.643.7014 or email info@womensenterprise.ca from anywhere in BC.