



## Ask SCORE for Business Advice

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### **Survival Tips by Tina Dettman-Bielefeldt**

“No doubt, the road may be hard for some time yet. Remember, your immediate goal is survival.”

Those words, spoken by Roger Schmechel, owner of Global Connection and a SCORE volunteer, are often repeated to his clients. Schmechel specializes in small business survival and has advice for those who feel like they’re teetering on the edge.

“If your business is short on cash, losing money, and you feel like you’re struggling just to keep afloat, there are steps you can take to survive,” Schmechel says. “View the current economic situation as another obstacle to overcome.”

When Schmechel visits a company, he reviews the financials, sales forecast, and operating costs. His recommendations vary, but he has found that most companies benefit by focusing on the following four areas.

The first concern for every business should be cash flow. Schmechel said that the banks’ tight reins on credit has businesses wondering where they can get a line of credit or the cash to keep the business going. While it is difficult to get credit, he suggested that owners get creative. One consideration could be to combine the business line of credit, credit card payments, and home mortgage into a single loan with a lower interest rate. The goal is to reduce cash outlay.

The next step should be a renewed focus on existing customers. Schmechel advised, “It is critical in these times that you keep close contact with your current customers. Prioritize your list of customers and make sure that you or someone from your office calls each one. Ask if you’re meeting their needs, and if not, how you can provide better service.” He noted that your customers are likely being approached by other businesses, and you need to have your name the first that they think of.

Watching operating costs is the next vital step. Schmechel suggested that owners review hours of operation, use of supplies, energy conservation, vehicle use, and any small expenditure. “By now, you probably have made most of the big dollar cuts, so watch for the small items,” he noted. “Every dollar saved in operating cost is added to the cash flow. Squeeze out any excess.”

Part of reducing costs is controlling inventory levels. To offset lower inventory levels, consider leasing out additional space or taking consignment goods to supplement income without increasing cost.

A final area of cost reduction is likely the most difficult. Schmechel says that owners need to take the hard step of assessing staff. “It is important to consolidate positions and eliminate all marginal or unnecessary tasks. You may be surprised that by combining work and utilizing people you can continue to meet your sales with reduced operating costs,” he commented.

With every action taken, Schmechel emphasizes the fourth step is to stay optimistic throughout the process. He concluded, “Your employees and customers are looking to you to be a leader, especially in tough times.”

If you have business questions, contact the Green Bay Chapter of SCORE. Visit [www.greenbayscore.org](http://www.greenbayscore.org) or call Cindy Gokey at 920-496-8930 for information.

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