

Here are 10 tips on dealing with a recession for your business:

1) Cut costs cautiously. As soon as the economy starts slowing down, many business owners think they must cut costs. But this is a short-term solution. Only cut costs or decrease your prices if it won't harm your business later. You can always lower your price - but you can't always raise your price.

2) Think Sub- contractors - especially if health care costs are putting a strain on your budget. If you have employees, consider turning them into sub-contractors. There are very affordable, month-to-month video web conferencing services that allow you to still be in close daily contact.

3) Advertise, Advertise, & Advertise! During the last recession, McDonald's almost tripled their advertising campaign at a time when their competitors, namely Burger King, were cutting back. So even though this may seem counter-intuitive, a recession may be the time to increase your marketing. Hard economic times weeds out your competition, leaving the field wide open for you.

4) Plan Long term: The Japanese are famous for planning out their strategy 15 to 20 years in advance. They follow the way of the turtle to win the race. And it works! Remember, marketing is a marathon, not a sprint. Keep marketing every month, month in and month out, not stopping and starting on a whim.

5) Choose your marketing techniques wisely. You should be keeping track of which marketing venues bring you the most business. Reduce or eliminate those marketing techniques that aren't paying off for you, or fix them so that they do increase leads and sales. And consider a form of direct marketing where you can specifically test target markets without blowing your hard earned budget.

6) Revamp your marketing tools. For those marketing techniques that are working for you, this might be the time to revamp your marketing tools. Could your sales people use more training to close the deal? Online training cuts costs and time.

7) Automate wherever you can. Find ways to automate any tasks to reduce the workload on yourself and your staff. What have you been doing manually that a computer system can do for you? Take a look at all your daily tasks and see if there is a computer solution to these time-wasters.

8) Spend your time on what really matters. Have you ever heard of the 80/20 rule? It's a proven fact that 80% of your business comes from 20% of your customers. So treat your best customers like royalty. Spend 80% of your time focusing on marketing and delivering your product or service.

9) Make do and mend. Because raw materials were in short supply during World War II, people were encouraged to "make do and mend" an item instead of simply replacing it. Consider your own expenditures: do you really need a new computer, or could you somehow upgrade your existing one for

less money? Do you need a new telephone or can you get by with the old one for a while longer?

10) Reduce inventories. If you sell a product, and you believe your sales are going to decrease, this might be a good idea to reduce inventories and not restock to the same level. This is a risky strategy (what if the recession only lasts 6 months?), so be sure you know exactly how long it will take to replenish inventories once the economy picks back up.

Now is the time to have a plan for dealing with a recession. It doesn't matter if we are in a recession now or not. These 10 tips will prepare your business for both good times and not so good times.

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