

Dear Subscriber,

This is the first issue of Ask Score, a monthly newsletter with advice to help small business's retain their competitive edge and survive in a troubled economy. It is being sent to past and current clients of the Southern Nevada Score chapter. We hope that you find it useful and we encourage you to forward it to any friends who might benefit from the information. If you received this email from a friend, you are invited to join our subscriber list by following the instructions at the end.

Please keep in mind that Score offers free counseling and low cost workshops (see below) to help you start and manage your business. Attached to the end of this email is a coupon good for \$10 off the admission price to any September workshop.

We encourage you to use Score as a business advisor to your company.

Warmest regards,

Ross Lagattuta
Chairman, SCORE Chapter 243

Ask SCORE

How to 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 will inevitably come with good times return.

Begin with the basics. Even when times are terrific, no small business can survive without good recordkeeping, 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.

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 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.

Counsel with SCORE "Counselors to America's Small Business." SCORE is a nonprofit organization of more than 10,500 volunteer business counselors who provide free, confidential business counseling and training workshops to small business owners. Call 702-388-6104 to reach the Southern Nevada SCORE chapter. You can get more information at www.scorelv.org.