



THE BENCHMARK

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10 tips to taking the offensive in 2010

It's time to shift your business focus from defense to offense. Reducing costs is essential, but the easy cuts already have been made. Additional cuts probably will slice into muscle and bone.

And, as anyone can tell you, cost cutting isn't motivational. Taking the offensive is much more uplifting. More than ever, revenue growth and cash management are essential to your success, given the realities of slow-paying customers, lower prices, and stingy banks and vendors.

Here are 10 tips to taking the offensive in 2010:

- 1. Obsess about your accounts receivable.** Review your aging reports every day and place reminder calls to your customers. Start at 15 days, get deposits where you can, and invoice each job the day the work is completed.
- 2. No one gets raises.** Tell your employees you have a plan that can keep them happily employed, but there won't be raises until the clouds lift.
- 3. Spend more on marketing.** Use door hangers, direct mail and e-mail blasts. Send a message outlining money-saving solutions to landscape problems. Do this every month. Out of sight equals out of mind. Simple, helpful and frequent "touches" are a key to lead generation.
- 4. Get out and sell.** Passive selling is not an option. Customers won't beat down your door — you have to beat down theirs, particularly in this economy. Yes, you, the owner, must prospect and make calls or find someone who will.
- 5. Work on lower pricing.** We're in deflationary times. Worry less about gross profit percentage and

more about selling enough gross profit dollars to pay for overhead every month.

6. Communicate with your customers — past and present. Other contractors are calling on your customers. Because there's little loyalty out there, you must defend your turf. Meet with your customers and ask them, "How can we add value for you and help you in this economy?"

7. Expand the services you offer. Offer more services to your customer base. Customer spending next year will have an ROI emphasis. Saving money, reducing risk and being eco-friendly (as long as it contributes to realizing the first two) top the list of potential upsells.

8. Keep your banker and vendors in the loop. You'll need credit to fund growth. Put together a budget and cash-flow forecast, then meet with these people to re-establish credit facilities and terms for 2010.

9. Clean house. This may sound harsh, but now is a good time to get rid of C players. Cleaning house has three virtuous effects: First, morale improves; second, A and B players can make more money picking up the slack; and third, you'll sleep better.

10. Look for a diamond in the rough. There are talented people looking for work. If you must focus on sales, you'll need to add talent in operations. It costs nothing to advertise on Craig's List, and everyone looking for work eventually looks there. When you find a diamond, hire him/her even if it costs more than what you're used to paying. Good people pay their way.

The old rules of the game are gone forever. We're entering into uncharted territory. These 10 ideas can help you take the offensive — so you can get off your heels and get back on your toes.

I'm reminded of my former football coach whose every pre-game pep talk was a variation on the same theme: "Boys, let's do it to them before they do it to us." That's where we are in this economy. The world is presenting business owners with a clear choice — hang onto the past or leap into the future. It's time to play offense.

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