

**ENTRY
DO NOT
ENTER**





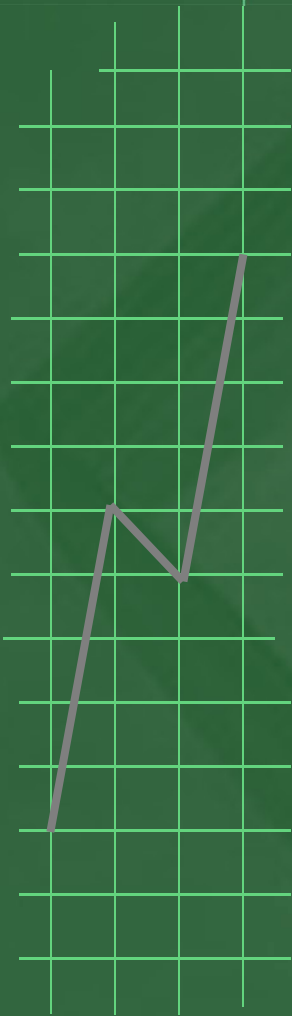


Strategies To Win In A

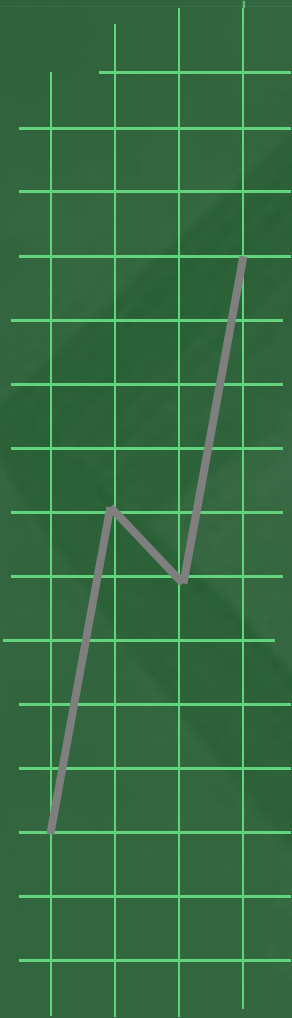
BUSINESS STRATEGY SKILLS TRACK

Challenging Economy

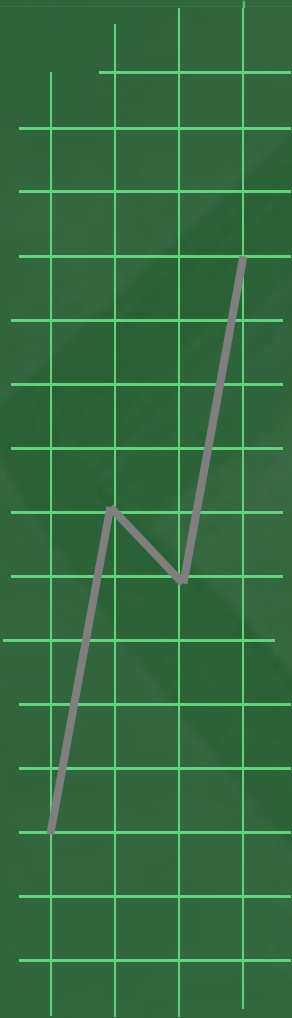




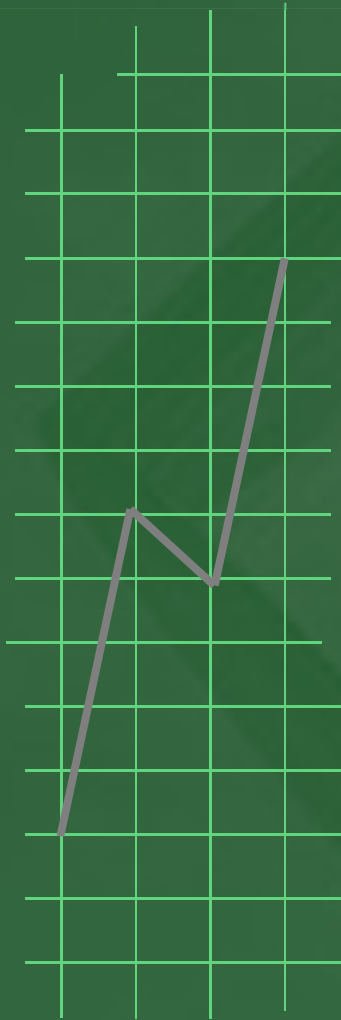
- #1 It's in your head (and in the newspaper)
- If it is gloom, we'll find room. If it bleeds it leads.
- Determine that it is you, and not the media that is going to decide what happens in your business.



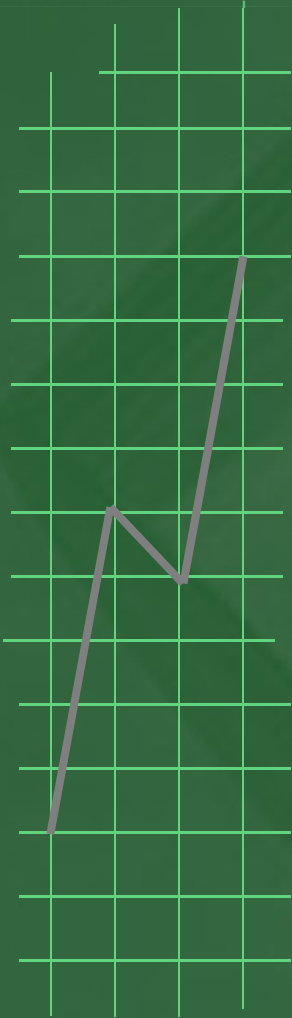
- #2 No one won a war by dying for his country, you win a war by..
- In a challenging economy, some businesses will retreat without any plan - cutting staff and inventory, cutting hours, advertising, and 'hunkering down'
- Take from the scared and give to the bold
- If another business is going to 'participate' in a challenging economy, help them participate



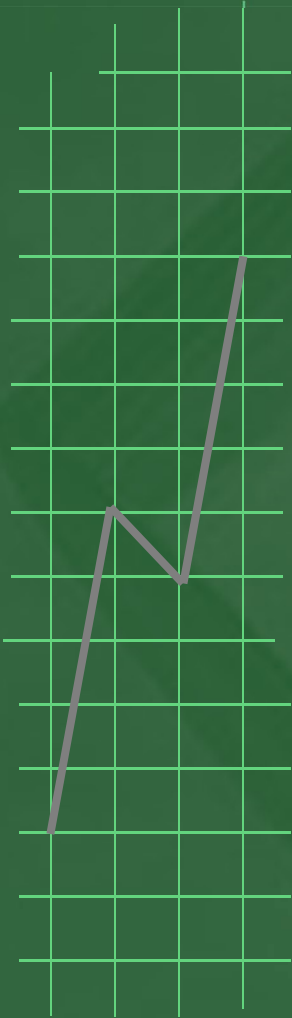
- #3 Never forget a customer, never let a customer forget you
- Does your business advertise? What's wrong with the current customers?
- The competition will always spend their effort looking for new ones with 'item and price'
- 65% 'leave you' because of their perception that your business does not care
- Practice delayed gratification



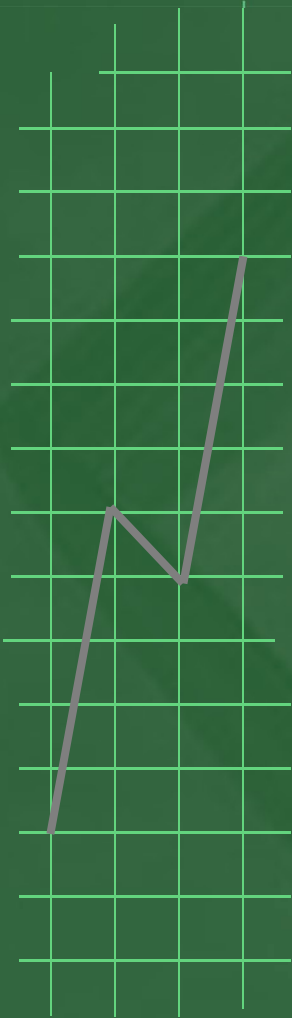
- #4 Keeping the stone rolling is easier than getting it rolling again
- Don't stop advertising – with less advertising, they can more easily see your message
- Determine your advertising goal
- Change the message, media, frequency



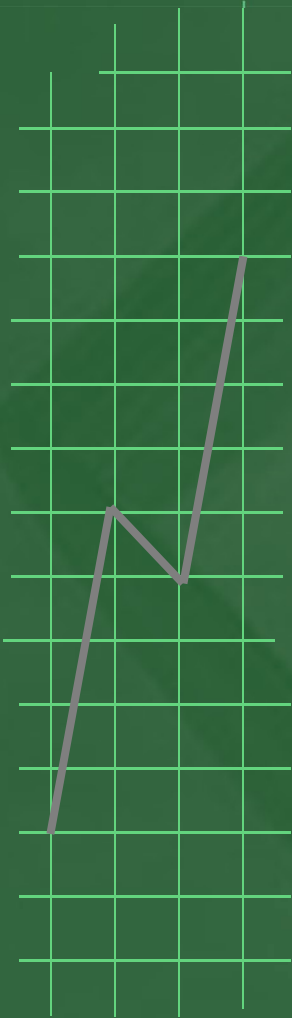
- #5 It's often a one way street
- Think twice before you change your target customer
- 'Top money' spends first
- Think twice before you go for 'item and price'
- Will customers know where to come back to?



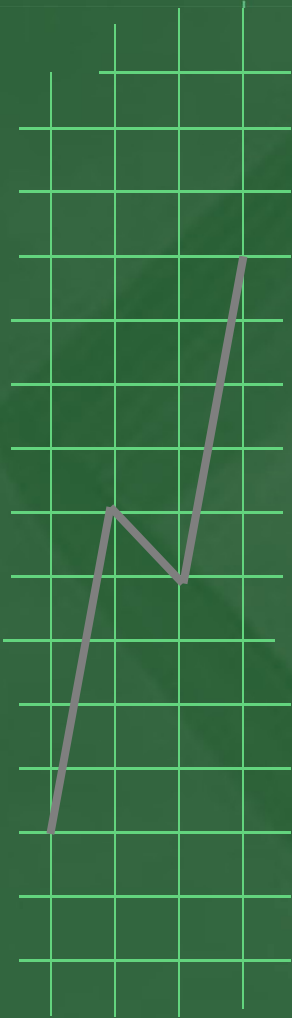
- #6 Luck has nothing to do with it – you get the glory and you take the responsibility
- Challenging times require radical thinking and actions – ‘They say I’m extreme’
- Now is not the time to simply ‘ride it out’ (Circuit City, Linens n things, Borders, Radio Shack)
- *Make up your mind to act decidedly and take the consequences. No good is ever done in this world by hesitation.* Thomas Henry Huxley



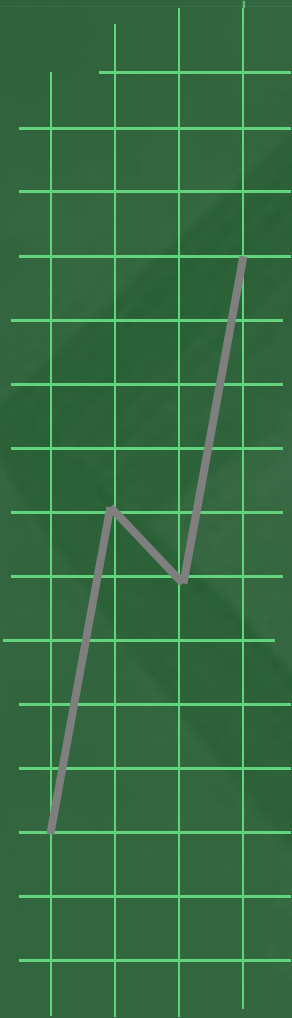
- #7 Someday my prince will come
- If it (or they) hasn't worked for you yet, now is not the time to see if it will eventually start working.
- If at first you don't succeed, try again. But after that, quit! No sense being a damn fool about it. *W.C. Fields*



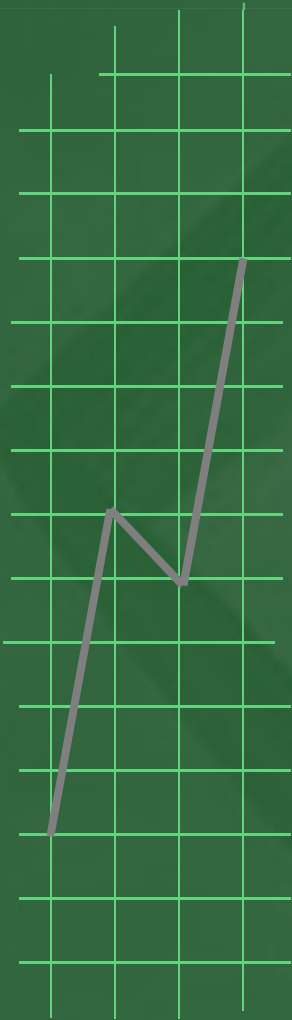
- #8 What's your gut feeling?
- Deep down inside, what is your instinct telling you that you need to get rid of? To add? To change? To try?
- What are your employees telling you? Or, are you asking?
- When Sears beat JC Penney
- Not to decide is to decide



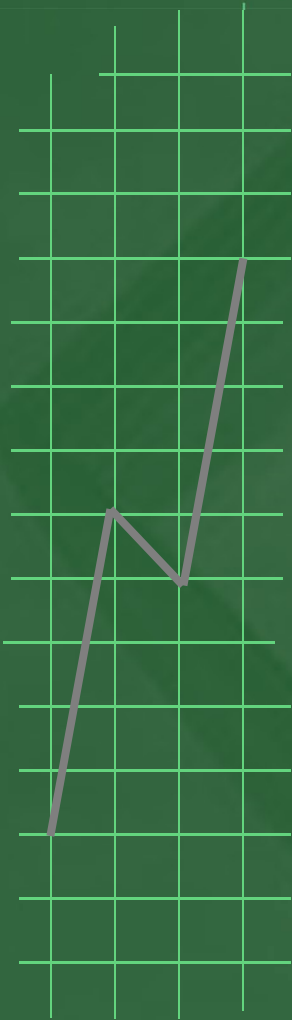
- #9 If you don't spend it, you don't have to make it
- Look for every expense possible to eliminate
- Understand the difference in controllable and uncontrollable expenses; variable and fixed expenses
- Try zero based budgeting?



- #10 You spend dollars, not percentages
- Profit is not 'cash on hand'
- You have to understand financials, use a projectionary cashflow plan
- You can hire a bookkeeper, manager or manager; you cannot hire an owner
- Your accountant cannot watch it for you



Closing Points



Shay's Way

Minefields and Mindfields

by Tom Shay



You can fully expect that any new mass merchant that considers putting one of its stores in your area will hire a company to perform a demographics study of the neighborhood.

A demographic study can be quite complex and very expensive. With these data, though, the competition will learn about the customers in the area. How many residents are there? How many live in each house? How much do they earn? How far do they drive to and from work each day? How many cars do they drive? What do they do for a living? How long have they lived in the neighborhood? How old is their house?

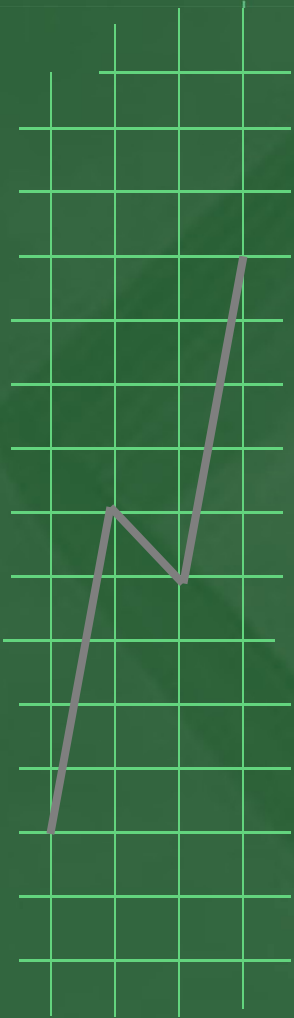
The list can go on and on. Of course, the information is useful only if they can also determine what type of customer will shop in their store. With this information, the competition can determine if there are enough available dollars in your neighborhood for them to have a profitable business.

In the case of your business, however, you are already there—probably for many years.

In all likelihood, you are not going to engage a company to go out and gather this information for you; but if you knew more about your customers, you could make more money.

Let's look at how to do this. Begin by creating a pin map that you will display near the checkout of your business. The pin map starts with a street map of your community; make sure it covers an area large enough to include the homes of all your customers. The map is mounted on cardboard on a tripod. A large red dot is placed on the map to denote the location of your business. You will also need to visit the office supply store to buy several boxes of the pins which have different colored plastic heads.

As customers are leaving your business, the employee having the last contact with them asks them to use the pin to mark where they live. You have several different colors of pins and will give a white pin to the customer who has not made a purchase. To the customer whose purchase is less than \$25, you will give a pin with another color.



It is not about waiting for the storm to pass; it is about learning to dance in the rain.