

Surviving In Tough Times

by Mike James

(NAPSA)—Small businesses generate over half the U.S. gross domestic product and employ about 60 million people. Yet, when the economy takes a turn for the worse, they are one of the first groups to get hit. Try these tips for helping your business weather an economic storm:

- **Communication**—It's smart to talk to bankers when times are good, and critical to do so when times are bad. The sooner you let your banker know you have a problem, the sooner he or she may be able to help you solve it.

- **Credit**—Traditional banks are not your only potential source of credit. You can borrow from equipment manufacturers, suppliers, asset-based lenders and even your landlord, among others.

- **Customers**—Stay close to your markets and understand your customers. Long term, the customer-centric model will beat the product-centric model every time.

- **Employees**—Hire and retain good people even during the tough times. Your competitors can copy your technology and products but they can't copy committed, caring, talented and dedicated people.

- **Execute**—The third best strategy, perfectly executed, will beat the best strategy, poorly executed, every time. It's all about execution.

- **Bills**—As long as you have cash to pay your bills, you're in business. The best way to main-



Developing—and executing—a financial strategy can help small businesses during tough times.

tain a financial cushion is to arrange for alternative sources of funds. That includes asking suppliers for extended terms, financing equipment instead of paying cash, negotiating lines of credit as an insurance policy for tough times, selling excess equipment and relentlessly managing your expenses, accounts receivable and inventory.

- **Service**—Regardless of our products, we're all in the service business. That's why small businesses with the best service have the highest sales. The key, I believe, is giving your own people the responsibility and accountability to act on behalf of the customer at the moment of truth.

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