



Thriving in a recession

- 7 proven strategies
to implement now to
push your business
to the next level



Is your business ready for a recession?

Many business owners can operate their businesses when the economy is booming. What is there to worry about? Consumers are spending money, financial institutions are lending, and the people are optimistic about the future. But when a recession hits, things change.

Operating a business during a recession can be a challenge, but by taking action early to maximize your cash flow, better manage your inventory, and improve workflows, you could come out of the next recession even stronger than when you went in.

Here are 7 proven strategies to implement now to push your business to the next level.

Anticipate and prepare for the worst

Just like anything else in business, when you prepare for the worst, you're more than likely going to come out ahead on the other side. The key to thriving in a recession is to thoroughly research the situation at hand and adjust your plan accordingly.

Reduce operating costs

Taking a look at how companies performed during and after the Great Recession, Harvard Business Review reported that businesses that not only survived the last downturn but actually thrived did so by simply “reducing operating costs earlier, and more deeply, in the recession cycle.”

To do this, you must first have a solid understanding of your operating costs.

Being able to properly analyze your P&L statement is essential to cutting business expenses. These expenses typically include sales and marketing costs, travel expenses, entertainment costs, and salary and wage expenses.

After you have a solid list of expenses, start to review places you can reduce or eliminate. For example, let's look at online services. Can you freeze or cancel any unused subscriptions? Are there less expensive platforms or tools you could be using? Are you being charged for features you don't use?

Cutting your operating costs ultimately keeps your business lean and enables you to protect your business, customers, and employees during challenging times. It also allows you to recover faster than your competitors after the waters calm.



WAYS TO SAVE

- ▶ Cancel or pause subscriptions you don't use on a regular basis
- ▶ Avoid paying for disparate systems by moving to one that does the job of many
- ▶ Consolidate your spending on like goods and services by channeling to one or two suppliers

Maximize cash flow

Often during a recession, companies find they don't have enough cash flow to sustain their operations. In fact, a U.S. Bank study found that 82% of companies that fail do so because of poor cash flow management.

We all know it's important to have enough cash on hand to pay your bills — and your employees. In addition, having cash on hand can set you up to take advantage of opportunities that may arise during an economic downturn, such as acquiring assets from a failing business. Or, launching new products or services that could set you up to thrive post-recession, while your competitors are still recovering. Even though this all sounds great, none of this is possible without — you guessed it — cash.

So, how do you ensure it keeps coming in?

Send invoices out immediately

Yes, it's possible to bill your clients daily. With the right system in place, invoices can be generated automatically and sent to your clients as the work gets completed, which means you get paid quicker.

Set up customers with autopay

Wouldn't it be nice to not have to chase customers for payment? Having a system that allows customers to be set up on autopay means as soon as an invoice is issued, you have your money in hand. Not to mention, offering autopay gives your customers one less thing to worry about. Now that's customer service!

Get a strong handle on your inventory management

When inventory is sitting on your shelves, or in a truck or warehouse, your money is tied up. You want to make sure you only order what you need.

Set up service contracts

Setting up a service agreement with your customer can be a win-win for both you and your customer. Often, companies will offer the customer a discounted rate for signing a contract for a specified length of time or amount of work. The customer receives a discount, and you'll be able to anticipate workflow and count on customers paying you consistently.

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Get our quick-start guide for setting up service contracts.

[DOWNLOAD NOW](#)

Review inventory management practices

How are you managing your inventory? Or perhaps a better question: Are you even managing your inventory? For many small business owners, the answer is simply no.

Forty-three percent of small businesses don't track their inventories or still use manual processes to do so. But why does that matter? How does that affect your bottom line?

Inventory takes up space

Depending on how much inventory you own, you are probably stocking it in warehouses or storage units. The more unused or excess inventory you own, the more space you need. Stocking only necessary assets can help you eliminate excessive storage fees. So, now's the time to review your inventory data and accurately forecast the assets you really need to have on hand. Then, find a solution for excess inventory. Can you return it or trade it? In the case you are holding on to outdated assets, maybe it's time to part ways (trash or donate it) and write off the asset.

Inventory ties up cash

Inventory is money that's not readily available for use. But you have to have quick access to necessary assets to keep your customers happy. So, it's important not to overstock items, but it's also important not to understock items and jeopardize customer service. This is where having a system in place will help you know exactly what you need. Not to mention, it can help save money in the following ways:

- ▶ **Avoid unnecessary orders or reorders**

Lost inventory means lost dollars. Knowing exactly where your assets are stored and how many units you have in stock means you won't be placing orders for assets you already own.

- ▶ **Eliminate theft**

Even though we don't want to think it could happen, it's common for large items like monitors or TVs to "go missing." Implementing a tracking system to keep tabs on individual assets as they move from warehouse to truck to...wherever... means that they won't end up hanging on a wall that doesn't belong to a customer.

- ▶ **Ensure the price is right**

The best way to make a profit from inventory is to ensure that it's priced correctly. Maximizing your inventory data is a crucial component of building a successful pricing strategy. Ensuring access to real-time price book updates from vendors in conjunction with a solution to forecast accurately makes it much easier to set and adjust pricing.



Provide proactive customer service

Just like you, your customers are looking to cut expenses during a downturn. So, you want to avoid being on the chopping block by reminding customers that you are there for them. Let's take a look at how you're delivering customer service today:

Reactive customer service

Reactive customer service is what many of us are used to when interacting with vendors. You're having an issue with a product or service; you contact the company and that company solves your problem. Basically, this is how your help desk operates when tickets come in. You're reacting to a customer's request.

Proactive customer service

On the other hand, proactive customer service is when you actively look for ways in which you can help your customers before they reach out to you. You're essentially anticipating issues and addressing them.

The good news is customers want you to be proactive; **87% of adults surveyed by inContact said they would be happy to be contacted proactively by companies regarding customer service issues.**

Using a proactive approach to your customer service can also help you with increasing customer loyalty. A report by Enkata found that taking a proactive approach to your support can **increase customer retention rates by up to 5%**. This can make all the difference in the world during a recession. Not to mention, businesses that recovered faster after the Great Recession "focused on maintaining loyalty among high-value customers that were central to the company's growth post-recession," according to HBR. These companies accomplished this by developing programs that put their customers first instead of their own revenues.

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Here are 3 ways to start being more proactive with your customers:

Deliver performance reports

Demonstrate your worth to customers. Delivering regular reports on services provided gives them a friendly reminder of why they're paying you and how you've helped their business.

Ask for feedback

Send out surveys on a regular basis to evaluate your response to their needs. Listen to your customers for the answers.

Allow customers the ability to self-service

Sometimes customers just want to help themselves. (That's why buffets are popular, right?) Give your customers the ability to submit tickets, view their accounts, and pay bills online. BONUS: It frees up your employees, who typically would have had to support those requests.

Improve productivity

In a downturn, businesses tend to look first at their largest costs — staff — and consider aggressive personnel reduction; however, companies that focus on improving operational efficiency fare better than those that focus on reducing the number of employees.

Assess how your employees are spending their time. You may find some of their efforts are better placed elsewhere.

Increase your tech utilization rate

In a business that predominantly bills by the hour, there are few metrics more important than utilization rate. Too high and you may need more staff; too low and your team may not be spending time on the right things. Tracking it will give you deep insight into how your business works and where it can improve. Increasing your tech utilization rate gives you the potential to grow your business and add more customers without taking on additional costs.

Automate tasks to increase your team's capacity

One of your goals should be to assist your employees with automating tasks, so they can spend time on other tasks that move the needle. We typically see that up to 45% of tasks can be automated. We mentioned earlier the benefit of automating accounts payable and receivable. Use technology to send invoices and chase payments without human involvement. According to FreshBooks, customers **save more than 16 hours a month** by using software to eliminate the hassle of creating invoices and collecting payments. By letting technology do the heavy lifting, you can often operate with a leaner team and utilize staff in other areas focused on growing the business.



10 THINGS YOU SHOULD AUTOMATE TO IMPROVE YOUR TEAM'S PRODUCTIVITY

Quote & proposal creation

Inventory management

Scheduled reporting

Contract & SLA creation

Customer ticket submission

Scheduling, approving &
deploying patches

Daily invoicing

Tech time entry

Server management

File backup

Evaluate your technology needs

Figuring out the right set of tools for your business is no easy task. Technology can have a huge effect on your daily operations — not to mention, it's a costly investment. But it's important to remember that *it is* an investment — one that can save you big in the long run.

Still using spreadsheets and file folders? Now's the time to invest. And if you've invested in a platform, now's the time to assess if it's the best option. Here's what you should be asking:

Can my team work from anywhere?

Now more than ever, companies are seeing the importance of tools that can help keep business running smoothly, regardless of where their employees are working. It's imperative to have a centralized system that makes it easy for any employee — even if they are working from home — to be able to access key information, whether it be financials or notes from the last customer service call. Nothing is more frustrating than not having the information you need to do your job well.

Does it improve my customers' experience?

As mentioned before, during downturns it's more important than ever to prove your worth to your customers. They need you right now, and having the right technology in place to service their accounts, regardless of circumstances, is going to set you apart from the competition. Do you have the systems in place to continue to deliver on your

SLAs? If an employee falls ill, can another employee quickly access historical account data and pick up where they left off? Now is the time to act. Those relationships are key to your success.

Is it costing me more than it's saving me?

There are many tools you can choose from to help run the various aspects of your business, and it's really easy to end up with more than you need. The first step you need to do is assess the features and functionality of those tools and determine if you need all of them. Perhaps you have a system that can do the job of two, or perhaps it would cost less to migrate to a system that has everything in one place, as opposed to four or five disparate systems. There's more to think about here than subscription fees. Consider the excess man hours your team puts in when two systems won't talk to each other. Having to manually transfer information or enter it more than once into multiple systems not only takes up time, but can easily lead to costly mistakes.

Diversify your services

During an economic downturn, it can be challenging to add new accounts. But what about growing your existing accounts by adding new services? During this time, it's likely your customers are looking at ways they can optimize their business expenses, just as you are. Oftentimes, paying multiple vendors can be more costly than paying one vendor for multiple services.

This is a concept called “converged services.” Put simply, it is the concept of offering more than one service to your customers. In the current climate of exponential technological innovation and change, there are a lot of services you can offer to further satisfy your customers and grow your business, such as:

- ▶ Managed network services
- ▶ Unified communications
- ▶ Physical security and alarm
- ▶ Professional A/V
- ▶ Managed print services
- ▶ Cybersecurity
- ▶ Cloud computing

If this sounds interesting to you, [check out our Resources area](#) for more ideas and information.



Get actionable insights on how to add to your services and grow your business.

DOWNLOAD NOW

Getting recession ready

1 Reduce operating costs

2 Optimize cash flow

3 Review inventory management

4 Provide proactive customer service

5 Increase productivity

6 Evaluate your technology needs

7 Diversify your services

A downturn can be a time of growth — with the right strategy & partner

Tigerpaw's all-in-one platform, built specifically for technology service providers, combines inventory management, reporting, ticketing, CRM, billing, and more. Get real-time, accurate inventory data at any give time and location across all departments and turn simple IT asset management into a data gold mine. We'll help you see how to calculate ROI and increase profitability by revealing areas of lost revenue.

Track serialized customer assets

Easily manage your remote monitoring, HaaS, SaaS, content filtering, remote offsite backup, and warranty agreements.

Improve customer service

Let your customers access their accounts 24/7, open service tickets, track the status of an existing ticket, sign quotes, and more.

Boost technician utilization

Get your technicians to track hours, which boosts utilization, with our easy-to-use mobile app.

Optimize inventory

Track stock levels, order quantities, preferred vendors, and cost options.

Decrease billing time by up to 90%

Automated invoicing means no more sending invoices manually.

Eliminate double-entry of accounting data

Integrate with QuickBooks, Peachtree, and other accounting systems to let them do what they do best — accounting — and not what they do average: inventory.

Reduce time to collection from 75 days to 0 days

Accept automated or one-time payments by processing credit card or ACH transactions, as well as accept payments through an online customer portal.

LET'S TALK

Contact us today at **800-704-9009** to set up a **FREE DEMO** of Tigerpaw, or visit tigerpaw.com.