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Consultants get owners past economic woes and into action

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There's an old saying that holds "a hundred-load of worry will not pay an ounce of debt."

Some business owners who've been lying awake through this recession are replacing anxiety with an action plan. Instead of worrying or hoping for the best, they're turning to trusted advisers for help on costs and sales.

Overall, professionals offering business turnaround services say the mood of panic that set in last fall when sales took a precipitous drop has eased. In its place is an air of realistic determination to figure out how to operate in the new normal.

"The smoke is clearing, and now they have to figure out how to hold on at this level," says George McAllister, regional director at the **N.C. Small Business and Technology Development Center**. The center typically sees 500 clients a year. But it forecasts serving 1,000 in 2009 as part of Gov. Bev Perdue's Biz Boost Initiative announced in April for the 12-county Charlotte region. Biz Boost doesn't include loans but provides business-counseling services.

McAllister says clients aren't losing sales as fast as they were, but they still face challenges.

Those who believe they can ride out the recession, even if they are just breaking even or operating at a small loss, are having trouble accessing credit to stay liquid until conditions improve.

Clients who spent the fall and winter cutting payroll and other costs are looking to determine their most profitable services and how to sell them to new customers.

Expectations are tempered.

"Flat is the new up," says Mary Bruce, president of **Kaleidoscope Business Options**. She says her clients, small and mid-sized businesses, are grateful to be above water. All companies are dealing with clients that are dragging out payment. They're having

difficulties accessing credit. The slowdown is prompting them to revamp their offerings or improve their sales process.

Bruce tells business owners to maintain relationships with clients that can no longer afford their services with the hope they'll come back when the economy recovers. Giving away a sample of a new product might win a place for that item in a former client's next budget.

"It's a great time to take risks, because it's already so risky," Bruce says.

As the recession shows some signs of easing, more companies are looking for an edge in their sales efforts. It's critically important to do a good job of communicating value to prospects, says Larry Nabatoff, president of **The Nabatoff Group**, which advises clients on sales and marketing.

"If you have fewer at-bats, you need to have a better batting average," Nabatoff says.

Companies that fail to show how their goods or services differ from those of competitors risk being treated as a commodity — customers will base buying decisions only on price. That will create more pressure on margins, Nabatoff says.

He helped **Wilmar Inc.**, a vehicle and equipment leasing company, improve its sales when the phones stopped ringing last fall.

Leasing is usually preferable to buying in a down economy, says Scott Crawford, president and owner of Wilmar. But in this recession, customers pulled back altogether. Crawford turned to Nabatoff to improve Wilmar's sales message, focusing on "The Wiybi Promise," an acronym for the company that "Works In Your Best Interest."

"If you have fewer opportunities to be in front of customers, you have to make the most of that," Crawford says.

Training the sales force could not have come at a better time. Last fall, Wilmar forged a partnership with BB&T Equipment Financing Corp. to take over leasing contracts for equipment valued at less than \$100,000. Crawford's firm hired two new sales staffers and tripled the number of banks it works with on leasing deals.

Nabatoff says effective sales pitches take on the quality of a conversation, not a flashy presentation.

There's less hype in conversations with business counselors, too, says Michael O'Hara, chapter chairman of **SCORE**, a nonprofit staffed mostly by retired executives. O'Hara is a retired vice president with Kemper Insurance.

About 70% of SCORE clients are starting a business. O'Hara says entrepreneurs are more serious and realistic about the viability of business plans than they were a few years ago.

“In some cases, they are startups because they’d lost their job and plan to do independent consulting. We expect to see more of that.”

O’Hara says marketing is the biggest concern for SCORE clients. “We are helping clients focus on things that are inexpensive, cost-effective, grassroots kind of networking,” including finding partners in complementary businesses, she says.

Nationally, SCORE has formed an alliance with PartnerUp.com, a networking site similar to Facebook that links small businesses. A plumber, for example, can team with a carpenter to share referrals.

As the mood shifts from panic to determination, hopefulness is sometimes seeping in.

“Clients are seeing more business on the horizon, and they are more optimistic,” Bruce says.

“But that optimism is offset by the fact that they are running to the end of their financial resources. They are wondering if they can make it to the other side.”

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