

Are You Ready for Next Year?

SMB Quick Reference Series

Make sure 2010 brings new advantage and profitability.

2010 is squarely in everyone's sights. Many are looking forward to 2010 simply to put the last two tough years behind them. Others are taking a more optimistic view to 2010, as the economy appears to be stabilizing. While even others see 2010 as the 'breakout' year for their business.

Whatever your perspective, there are a few strategic actions that every business can take to drive new value and advantage in 2010.

In a recent McKinsey survey (700 CEOs, 11/09), the top priorities for CEOs for 2010 are: innovation to create new value; drive costs down even more; and, further tighten relationships with existing customers as a key to profitability growth. Perhaps these are chief among your priorities as a small and medium business as well.

What can you do to achieve these priorities, quickly and inexpensively?

1. **Research Buying Habits:** Take a peek into past customer invoicing, and identify any trends. Look at specific, repeat customer invoices and see if you can identify any shift in purchasing habits toward new value areas. Once discovered, work to align and package your services and products in a way that will attract more business.
2. **What is Most Profitable?:** Often a business will continue to operate in a 'business as usual' manner. That is, they offer the same products and services and even expand their offering as a mechanism to attract more revenue. Within every business there are a few products/services and customers that drive the bulk of the profit while the rest are nominally profitable or are losing propositions for the business. Identify the most profitable products/services and customers and determine how to serve or find markets that need more of your most profitable items.
3. **Where are You Leaking Cash?:** In times of abundant demand and revenue, sloppy habits become common within the business. Sloppy habits create cash 'leakage' that drains profitability – thereby reducing capital to sustain or grow the business. Look across the entire business and undertake a 'profitability analysis' of business processes, customers, and hard and soft assets. Find where cash is leaking out of the business and quickly plug any holes.
4. **Get Out of the "Technology Business":** Unless your enterprise is a technology-oriented in nature, significantly reduce your acquisition, upgrade, and management of technology within the business. Do this by eliminating your in-house 'IT department'! Sound crazy? It's not. In recent years it has now become strategically and economically wise to 'outsource' computer-based technology to experts – eliminating capex spend, salary and benefit costs, and driving new flexibility and advantage to the business.
5. **Expand Your Markets:** If you haven't done this already, you're already behind the curve. Your nearest competitor is a block, mile, or click away! Exploit technology to reach and serve new markets and customers. Your competition already has – why not you?
6. **Communicate to Your Customers:** It is fascinating that most 'conversation' with a customer occurs when a business seeks revenue; or, if there is a customer service problem. Otherwise, the normal business habit seems to be 'no news is good news.' Customers want to hear from you about your business, new value they can derive from new products/services you offer, and how they can gain advantage from having a relationship with your business. Make sure that your customers hear from you regularly and with impact.
7. **Collaborate Everywhere:** Gone are the days when a business can stand on its own, going it alone. Today, new opportunity and profit is created by working together with upstream suppliers and downstream customers – across your 'value chain.' Identify those businesses with which you need to partner and collaborate on new efforts that are sure to drive differentiation, advantage, revenue, and profit.
8. **Real-time Business Management:** No longer is it possible to manage the business to monthly income statements and balance sheets. Things move too quickly and require fast, real-time adaptation. Managing the business through traditional financial statements is like driving by looking in the rear-view mirror – a certain recipe for disaster. Instead, fully utilize various 'real-time' reporting tools that give you the business information you need, where you need it, and when you need it. Manage the business daily, or hourly in some cases. Sometimes advantage and opportunity have short windows. If you wait 30 days, you'll miss that opportunity and many more.

You can make do all these things, yet this year! You and your business can prepare for 2010 quickly, effectively, and without any additional capital spending – making sure you're ready to make 2010 the best year ever.

Want to know more? Get ready for 2010 with the SMB Suite. A full solution set bringing you all the insight, collaboration, communication, market expanding, real-time information, and outsourced technology advantages you need to lead. The SMB Suite is your answer to new innovation, lowering costs, and getting more from your existing customers. Visit: <http://www.getsmb.com> or call 1-800-525-6398.

So, what are you going to do now? Your competition isn't standing still...

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