

Business Link can provide more information on any of the topic areas covered in this leaflet, alongside a whole range of additional free factsheets, including:

- Knowing your customer
- Payment terms
- Invoicing
- Treating suppliers fairly
- Credit insurance
- Factoring and financing
- Chasing payment
- When cash runs short
- When all else fails
- When your customer goes bust

With a team of expert advisers throughout the North East, Business Link can also deliver a free business healthcheck to help you identify issues and opportunities to see your business through a difficult economic climate.

We will also be running a series of workshops from January 2009 aimed at businesses looking to take practical steps to address the challenges presented by the changing economy.

Anyone interested in receiving a healthcheck, registering interest in attending a future workshop, or to order one of the factsheets, please contact Business Link on 0845 600 9 006 or e-mail enquiries@businesslinknortheast.co.uk

Useful contact details



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A Business Healthcheck:

Be Prepared



Is your business in the best shape and fit enough to withstand the current climate?

Business Link can support you:

- Look at what you can do to put your business in a better position to withstand difficult economic conditions;
- Look towards the future and start planning for opportunities;
- Look at alternative income revenue streams;
- Discover what help and support is available;
- Help your businesses through the economic slow down.

Business Link has issued a top ten steps to help your business prepare to survive the economic slowdown.

These steps are a starting point for anyone who is worried about the survival of their business.

Ten point plan for economic slowdown

1. Mind your cashflow

Understand exactly what your finances are telling you. Issue invoices promptly and chase up debtors; don't buy more stock than you need; negotiate longer credit terms with suppliers; shorter ones for customers; fill up gaps in your forward order book; and keep in touch with your bank.

2. Cut your costs

Look for savings in every part of your business. Making your business greener isn't just about saving the planet, it's also about saving you money. Do you turn equipment off at night? Is every business journey necessary? Are you taking full advantage of your tax allowances?

3. Credit check new customers

It may take only one major customer to go bust to jeopardise your business. Protect yourself by conducting rigorous credit checks on new customers and agreeing clear credit terms up front.

4. Know your customers

When finances are uncertain, consumers cut their discretionary spending, so do all you can to keep your customers coming through your doors. Investigating the potential of untapped foreign markets and new customers is a good way to sidestep a crowded marketplace or a fall in current orders. Building up a number of new clients and suppliers could be the ideal way to increase your turnover and profits.

5. Provide outstanding customer service

Consumers appreciate businesses that give them more for their money, especially when times are tough.

Efficient service, fast delivery, flexible payment terms, and so on, can persuade people to spend with you rather than a competitor.

6. Increase your marketing

When competing for a smaller pot of money, it becomes more important than ever to tell people why they should come to you. You don't have to break the bank, but be sure to shout about your business.

7. Concentrate on products and services that sell

Don't put your efforts into trying to sell things that are untried or that few people will buy; stick to profitable favourites. Don't be tempted to slash prices either – if demand for your offer is not price sensitive, you will be giving your profits away.

8. Train your staff

Your staff are one of your greatest assets and could be the key to retaining customers and keeping your business running. Training is important to their personal development and the productivity of your business, so don't be tempted to scrap your training plan.

9. Streamline your operation

Consider moving to smaller premises, or subletting your existing space. Sell off excess equipment and look at staffing – are your people concentrated in the right areas? Will flexible working be more cost efficient?

If considering redundancies, remember that it's bad for morale and replacements may be hard to find when business picks up.

10. Sell online

An online sales or marketing channel will expose you to a larger marketplace for minimal cost. Plan and resource online selling properly, including providing payment security, attracting visitors and meeting orders swiftly.

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