



TIP OF THE WEEK

May 20, 2008

I suggest that you run your business as if you were losing money - even if you're making a bundle. If we can count on one thing, it's that the business cycle is, well, cyclical. And a downturn rarely comes at a convenient time. We all know that when financial times are tough, we tighten our belts, look to eliminate non-essential expenses, put a freeze on hiring and so on. If it's a good idea when business is poor, then it's an equally good idea when times are better. And, it may just help you weather the next storm.

Now don't go crazy and cut essentials or over-tax your people. There is a distinction between prudence and penny pinching. Don't be cheap just to be cheap or obstructionist. Just look at expenses carefully. And you will create a culture where your people watch your money.

Conversely, when the boss spends money lavishly, it makes your people feel like you and the Company have money to burn. At one of our most successful clients, the owner drives a nice, but modest, vehicle. She has a second car - a hot sports car - that the employees don't see. She always dresses professionally but not overly flashy. She entertains employees at restaurants, not her lovely home.

I used to work for a man named Jack who said, "... take care of the pennies, Bennett, and the pennies will take care of the thousands."

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Good luck. Work **ON** your business. Stay in touch.

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