

How to Thrive During Tough Times

The economy is still strong, but it won't stay that way forever; some experts are predicting a downturn in 2020. Here's how to come out of a rough patch in the economy better off than ever.



Minimize Fixed Costs

Try to pay off any debts, such as vehicle loans or equipment financing. Unlike bills for materials, gas or even employee paychecks, these bills will stay the same even when the work slows down. Also, avoid contracts when possible - if you're going to commit to years of future work from a vendor, it's safer to just pay for it up-front.



Build a Financial Safety Net

Financial experts suggest saving enough money to pay for 3-6 months of business expenses. For most small businesses, that's a tall order - but don't let that stop you from putting away what you can each month. Your jobs won't fall to zero during a recession, but a small cash cushion can save your business during the worst months.



Build a Great Reputation

If you're reliant on low prices to drive business, a downturn can lead to a price war. The winner of that war may be left with zero- or negative-profit work. However, if your reputation is built on a history of high quality work and great customer reviews, you're more likely to be able to only quote profitable jobs during the downturn without having to sacrifice customer relationships.



Be Ready to Grow

If you do these three things, your business is much more likely to survive a recession. Your competitors, however, may not be as lucky. When competitors don't make it, that presents an opportunity for your company. The end of a recession is a great time to pick up great employees from companies that closed, and to pick up their customers as well. Be ready to say yes to more work!

The chains of habit are too light to be felt until they are too heavy to be broken.

Warren Buffet

