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BUSINESS COACH BRAD SUGARS

If you're not making money now, you never will

IT'S BOOM TIME. Across the board, business in our country has never been stronger. Strong employment. Strong retail sales figures. Overall growth that doubles official estimates.

We're the world's largest exporter of iron ore and coal. Mining companies are getting the benefit of record prices driven by demand from all the BRIC countries: Brazil, Russia, India and China. In turn, they are spending record amounts of investment to accommodate even greater increases.

It all adds up to the fastest business growth in three years, and the lowest unemployment rate in 30. In our current economy, even the former jobless have jobs!

This is the equivalent of a financial summer. Enjoy it. And realise if you're not making money now, you probably never will. That may be a harsh assessment, but there has never been greater opportunity to create wealth than right now.

That said, as sure as autumn and winter always follow summer, a slowdown will come. It always does, and it always will. That's just the nature of the business cycle – one that provides as many opportunities to profit as good times.

But that's another story. The big question right now is: are you doing what you need to do to make money today? Today is the best time for getting your financial future in order. Because as sure as the seasons, there is a cycle to every business and market. Take stock of your current harvest, and make sure you're planting for future growth.

That way you can prosper regardless of conditions.

Here are six things you can do short-term to make sure you're reaping good things far into the future:

1. Clean the house – First off, pay off debt. Too much can be a real killer. Take advantage of

your plenty to clear up your balance sheet – both in your business and in your personal life. Not only will you be able to improve your overall credit scores, you'll also be able to sleep better at night. Plus, you'll be in a position to better leverage yourself in the event a great opportunity comes along that requires borrowing at some point in the future.

2. Run lean – Remove or pay down all of your long-term leases. Over the long-term, big business can afford to run on slim margins. Small business can't. High overheads can cripple the efforts of a small business, so make certain you don't lock yourself into something that is going to cut into your profit long-term. Instead, look for other ways to get what you need. If you need new equipment or office furniture, find a wholesale option or buy second-hand. You'll be thankful later.

3. Water your crops – Strengthen relationships with your current customers. Heading into an economic autumn and winter, customers will look for better deals – not necessarily cheaper prices. This is an area where small business can really outshine bigger companies. The big guys have policies and procedures. Small businesses can more easily adapt and change. So find out what your customers really want and look to create value for your best customers. Whatever you do, make it very easy to do business with you. That will make it harder for your buyers to shop someplace else.

4. Take advantage of seasonality – Raise your prices based on high demand seasonal items. You may be able to boost margins on certain products or product lines – especially those oriented towards holidays and special times of year. Also look at very specific niches that may benefit from a seasonal approach. And by niche, I don't mean, "all customers who spend at least \$500 with us during the summer." I mean, "our 10 highest margin customers who want the latest and greatest gear for their beach holiday."

5. Invest in the future – Boost your marketing spending heading into economic autumn and winter. Start to build your brand and test your campaigns now. Chances are, you'll be ahead of 99 per cent of your competition – all of whom will wait until it's late in the game to start smartly marketing themselves. Virtually all businesses view their marketing as an expense. Start looking at your marketing as an investment. Kill any program that doesn't make you money. Keep any campaign that produces ROI. And keep running your successful campaign until it doesn't work anymore. You'll be way ahead of all those businesses that always put their branding and marketing on the back burner.

6. Look at expansion – The problem with many small businesses is that they think too small. Think bigger. Look to innovate or find new uses for your current product or service line. Consider growing your workforce, knowing that great workers become available as markets cool down. Also, don't forget about expansion overseas. In today's global economy, it is easier than ever to cross borders and go international. I prefer the franchising model, but you may be able to do the same with some type of partnership or joint venture. Remember, more money is made in bad economies than is ever made in a good economy. So find your opportunity in a bad economy and expand. Those who do will be huge when the next financial summer comes along. ●

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