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Preparing to Thrive Despite the Economy

By Paul M. Polito, CPA

While your competitors wait around for things to “return to normal” I suggest you redefine “normal” and move forward taking market share. How does one approach this?

First, do whatever it takes to reconfigure your cost structure so that your company is profitable in the present business climate. Assume the present *is* “Normal”.

One way to wrap your mind around this is to imagine you are just starting your business. When just starting a business, you “get by” with the absolute minimum in terms of services and people. You do only those things that will get orders in the door, get the work done, and get them out the door. If anything doesn’t add value, you don’t own it, you don’t do it, nor do you think about it!

Second, take sales and marketing very seriously. When you are new in business, you are actively planning ways to garner more customers and increase sales. Unfettered by past successes, you try to think out of the box and yes, you take risks! When you start a new business and make your first sale, you either *create* demand for a new product or service (create a new market) or you take market share from a competitor. If you are competing, learn enough about your market and competitors to track your change in market share. This focus is important because by knowing your market (i.e. size, major customers, major competitors) you can set realistic goals and set realistic budgets. By tracking your share of the market you will know if, relative to the market, you are gaining or losing. There are likely new players in your market space that are approaching the challenge of taking market share in exactly this way!

When major economic shifts occur, markets shake out the weak competitors and the strong flourish in a less crowded market space.

Huge opportunities can turn up overnight when large companies in your market space falter or fail to move quickly when change is needed.

Renew your focus on your business. Try to look at it through your customers’ eyes. Anticipate and meet their needs.

Third, keep an eye on the new business landscape. There will be new rules, more government oversight and new attitudes. These can create opportunities for your business and new threats as well. Keep your business model on its toes and adaptable to a changing environment.

If you would like help reconfiguring your cost structure or looking at your business from the outside in, through your customers’ eyes, give us a call.