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Reviving your company

Six steps to help your business bounce back

By James E. Rudnicki

"It's not whether you get knocked down. It's whether you get up again." — Vince Lombardi

The U.S. economy has definitely gotten knocked down. Today many businesses are suffering from the effects of the blows. That can't be helped. But what can be helped is whether those businesses will be able to get up again.

Below are a few ideas that business owners and managers might want to consider for cushioning the blows and then getting their companies back up onto their feet.

•**Err on the side of caution.** Baseball great Yogi Berra said it best, "It's tough to make predictions, especially about the future." Forecasting where our economy is headed is always difficult. Given the uncertainty of recent events, it's all but impossible. Some of the "experts" are now telling us that the economy will rebound within six months. Even if you agree, isn't it better to err on the side of caution by planning for a slower recovery? Remember being over-prepared can lead to wasted effort, but being under-prepared could lead to total failure.

•**Be open to change.** Studies have shown that some people fear change more than death. My 11 years' experience revitalizing financially distressed companies has proven to me that this group includes a disproportionate number of business owners and managers. By clinging to the past you may very well be eliminating your company's chance for a successful future. Conversely, trying a new idea or two might put your business back on the road to prosperity much quicker than you ever believed possible. Where can you find these ideas? Read on.

•**Ask lots of questions.** Jim Collins, the business writer, tells us the secret when he says, "Good leaders are more like Socrates than Caesar. They lead with questions, not



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answers." Who should you ask? Depending upon your circumstances you might want to try your employees, trade association, suppliers, customers or an outside consultant. What should you ask? How about beginning by describing a challenge or two that you're facing and asking what he or she would suggest to solve them? Or, if you're more daring, ask them what they think is right and wrong with your business. You might be very surprised by what you hear.

•**Communicate with your banker.** Many businessmen and women are hesitant to share much information with their banker, particularly if it's bad news. In the short run this approach might help you to fool your banker, and perhaps even yourself, into thinking that everything is just fine. But what's going to happen when the truth eventually comes out? I have seen numerous situations where bankers were willing to go the extra mile for a borrower they trusted and respected. Does

that describe the relationship with your banker? If not, start communicating.

•**Remember that cash is king.** In the long run the only way to have enough cash is to make a healthy profit. However, in the short-run there are ways to create some temporary breathing space by freeing up cash, while your business works to get up again. Sell off slow-moving inventories, supplies and other materials, even if you have to take a financial statement loss. Tighten up collection practices. Convert idle machinery into cash. Eliminate non-essential expenditures. Then reinvest the funds in your business.

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•**Get started now.** There's an old Spanish proverb, "Tomorrow is often the busiest day of the week." So what are you waiting for? There's no time like today to get started. Remember it's not whether you get knocked down. It's whether you get up again.

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