

SMALL BUSINESS MATTERS

Business Survival: Status Quo Not an Option!

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If you are a business owner or manager, you will know that the only thing constant is change. However, if you or your business never makes changes, or even more critical resists change, then you will limit your possibilities.

So, must you change the way you do business just for the sake of change? Of course not! Rather you must take the time to monitor your business, evaluate trends such as your sales, observe your customers and keep an eye on the competition. You must also constantly monitor the market area and the industry that you operate in very closely. Sometimes the speed at which you react to change may mean the survival of your business, at least in the long term. It would be prudent to try and prepare for some worst case scenarios because if you can think of it, it can actually happen.

Preparing for possible change around the corner involves more than just minimizing potential threats to your business. It also includes preparing to seize potential opportunities, and a missed opportunity can sometimes be just as critical to your business success.

So how do you exactly plan for change or more specifically the unknown? Here are some things you should consider regularly and often.

- ✓ **Customer base and marketplace.** Is it growing or shrinking? You may need to adjust to demographic shifts or other changes in your service area.
- ✓ **Financial capacity and stability.** Is your business financially sound? Is debt going down year over year? Your business should be prepared to handle an unexpected downturn in sales or be able to seize a future expansion opportunity.
- ✓ **Product and service offering.** Are your products and services still in demand and relevant? There may be a requirement to add to your business or change your focus.
- ✓ **Competition.** Are you well positioned against competitors and thinking of ways to stay competitive? Pay attention to your level of customer service, quality of products and services, and overall pricing.
- ✓ **Labour market.** Is your business prepared to deal with labour shortages or skill shortages that may impact your business? Evaluate your requirements and take care of your employees and they will be more inclined to help take care of your business.
- ✓ **External influences.** Your business may be susceptible to fluctuations in the Canadian dollar, changes to regulatory requirements, and/or downturns in market prices both for the sale of your product and/or the cost of your supplies. Keep your operation cost effective and efficient as possible to remain profitable and competitive.
- ✓ **Succession planning or exit strategy.** Finally, you need to prepare for the inevitable such as your retirement or a career change. Ensure you plan for the sale or succession of your business. Maintain your business operation so that it is marketable if you plan to sell and in good standing for succession to an interested family member if that is your intention. For the latter, the business must be a fit for the successor or otherwise selling is the better option.

For all businesses change is constant. However, the most important point that must be made in this article is that it is better to be proactive than reactive to change. Strive to stay a step ahead of both internal and external forces that may or will impact your business.

For more information on business financing and other services of CBDC South Coast call 1-800-303-2232 or 538-3846.