



by Jay Goltz

Goltz On Business

The Worst Is Over... I Think

It's been a rough couple of years, with the stock market crash, September 11th, the economic slowdown. There seems to have been a shakeout. Yet from what I've seen and heard from others, it appears that business has stabilized and is on its way up.

Hopefully you haven't been in the retreat mode and have been in the caution mode instead. It's time to get out from under the table, take a look at who is still standing, and forge on. Customers are still looking for what they looked for before—interesting selection, great design, and professional service.

This is where the more aggressive business people are going to gain an advantage over the more passive ones. New customers are coming into the market, old customers are coming back, and people are starting to feel more confident about spending money for their home. If you haven't added any new mouldings lately, it's time to do so. It's easy to cut your expenses back when business slows down. It's too easy to leave them cut when you should be spending money.

If you haven't been to a trade show for over a year, you're missing some action. Whether it's

investing in a new piece of equipment or just learning some new ideas, it's time to spend some money to improve your business. I've never met anyone in this business—or any other business,

for that matter—that has grown their business by *not* spending money.

The problem with economic down turns is not only that business slows down, but we slow down, too. For instance: you have a really horrendous quarter, cash gets tight, and so you cut your advertising budget accordingly. You have to; you're treading water. Business picks up but you don't resume your previous advertising schedule because you figure it's nice saving all that money. At the same time,

one of your more aggressive competitors is advertising in your marketplace. While you're saving money, they're attracting your customers.

Your staff, if you have one, should be reviewed. Maybe you've been hesitant to add people because of the slow economy, which is certainly understandable. The problem is, customers are waiting too long to get their framing or are waiting too long in your store to be helped. There's a fine balance between not giving enough customer service and giving too much.

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No one can afford to be overstaffed these days and it's a constant battle to have just the right amount of help.

Now would be the time to hire for a busier fall. Once you get busier, it's going to be very hard to take the time required to properly interview, hire, and train new people. If you wait too long on this hiring, you can find yourself understaffed, overworked, and slowing your turnaround down to a point that damages your business. Even though business has slowed down, customer's expectations are as high, or even higher, than before.

Interest rates are at a historic low. Now would be the time to borrow money to redo your storefront, remodel your store, or replace equipment. You could wait to make enough cash to do it without borrowing money, but while you're waiting to do that, you better hope that your competitors are waiting too. You can easily end up a day late and a few frame jobs short.

One more thing: I'm going to tell you the most damaging thing you can do during an economic slowdown. You don't raise your prices out of fear of scaring off even more customers. It's a natural thing to do, and a very damaging one. All

of your costs have gone up; review your pricing schedule to have current prices.

This month marks my twenty-fifth year in business. I have tried to make progress in each and every one of those years. Some years I have done better than others. I'm the first to admit that the last two have been difficult, not only because of the economy, but the general state of mind of what's going on in our country and around the world. Each year has brought different challenges and different solutions. It seems that the solution for the last couple of years was to just survive them. Hopefully you have.

It's time to reevaluate everything you've done and get back in the growth curve (if you're not already there). This fall should be a good selling season, which will build up momentum for next year. If some of you think I'm wrong and some of you think I'm right, that's okay. It just means I might be able to get a job as an economist. ■

Jay Goltz, Business Editor, started Artists' Frame Service in 1978 fresh out of college. AFS now employs 120 people at its main location in Chicago, IL. Goltz is also the founder of FramerSelect. He has received numerous business honors and is best known for his straight talk on how to succeed in business. He has taught at the National Conference.