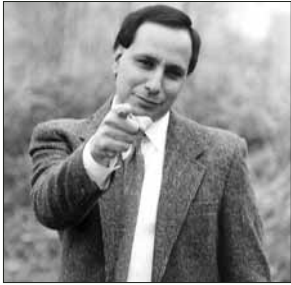


The Guerrilla Framer



by
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Times Are Tough, Let Your Landlord Help

It really is a jungle out there. The economy is officially in a recession, unemployment is at its highest level in 11 years, retail sales are slumping, and profits are down for everyone. Everyone that is, except your landlord.

It's business as usual and everything is hunky dory for your landlord. That's because you're still paying the same high rent that you were when the economy was booming, "For Rent" signs were nowhere to be found, and retail space was commanding top-dollar rents.

Well, times have changed and now vacancies abound. And while I'm confident that this situation is temporary (and most economists agree) right now times are tough. It's no longer business as usual and therefore, you cannot continue to conduct business as usual.

Now is the time to employ the guerrilla tactics and strategies necessary to ensure that your business remains profitable and healthy under adverse circumstances. Perhaps the most important thing you can do to that end is to reduce your fixed operating expenses as much as possible. These monthly fixed expenses include rent,

Yellow Page ads, and salaried labor.

For most custom framing businesses, rent is the single largest fixed expense so that's the one we'll target. "But I have a lease," you say. So what? Leases can be renegotiated. It happens all the time. I'll explain how to do it.

You may be thinking, "My landlord won't want to negotiate with me because I'm behind in my rent." Actually, if you are behind in your rent, you may be in a stronger position to renegotiate your lease. Now, I'm not suggesting that you should intentionally stop paying your rent just to gain leverage in negotiation. I'm only saying that it does not have to be a roadblock to reaching an agreement on a more "tenant-friendly" lease.

If you want your landlord to agree to a more favorable lease, you need to provide him or her with compelling and logical reasons to do so. It also helps if you can think like a landlord. (It's a scary thought, I know.)

Let's look at what makes landlords happy. Landlords like zero vacancies, tenants who generally pay their rent on time, and clean, upscale businesses that don't cause the dumpster and parking lot to overflow. In other words, they like

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tenants like you.

It's in the landlord's best interest to keep you as a tenant, even at a lower rent. Why? Because if you leave or go out of business, your landlord will stop collecting rent entirely. If that happens, there is no guarantee that the space you now occupy won't remain vacant for a long time. Even a short-term vacancy may result in the loss of income for three months, and produce additional expenses such as real estate commissions, advertising, and improvements. Furthermore, the next tenant will probably be a new business, which means that its risk of failure will be higher than your established business.

These are things you'll want to remind your landlord of when you ask for a very reasonable 25% reduc-

tion in your rent. I'm serious. A 25% rent reduction, even if it's only temporary (say for one year) can make a major difference in your take home profit while also making your business more viable.

One other suggestion: Do not hire a lawyer to negotiate a rent reduction with your landlord. A personal appeal is much more effective when asking for a rent reduction, and you'll save legal fees.

Times are tough and so you need to be tough too. Tightening the belt on expenses is the quickest and surest way to increase profit and keep your business on a healthy footing. Oh, and when you're ready to spend the extra money that you saved on rent, be sure to remember who gave you the idea. ■