

New Years 2010

Be always at war with your vices, at peace with your neighbors, and let each New Year find you a better man.

~Benjamin Franklin

Every year around this time, I try to take some time to both reflect on the past year as well as develop some great resolutions for the coming year. So here goes!

I think that 2009 was one of the toughest years most business owners have ever had. Revenues fell dramatically, and businesses were continually forced to lay off staff. Additionally, they were constantly cutting expenses in order to manage their cash flow. Those businesses that managed to simply survive this very tough year deserve applause as so many others – large and small, alike – failed.

Moving into 2010, there are so many important things to consider. Firstly, I think that the economy will improve, especially towards the end of 2010. However, it is going to be quite a few years before employment returns to where it needs to be to support our population. Additionally, towards the end of 2010 we should start to see interest rates and inflation start to creep up.

In terms of resolutions, your first should be a bigger commitment to managing cash flow. As it is going to be a while before banks start to lend to small businesses, cash will continue to be an asset requiring stringent and careful management. Increasing cash inflows and reducing cash outflows is the path to doing so. After all, happiness is generating continual positive cash flows.

A second resolution should be to ensure that your staff stays motivated and excited about the future of your company. With so much uncertainty in the news, your company must be viewed as a very certain and viable business for continual employment. Your business culture must be planned for and managed in 2010. Companies that take the time to measure and work at improving their culture are going to do very well in the New Year.

The final resolution is to focus on sales and seek to expand them by increasing sales to your existing customers – which is the real low-hanging

fruit. As the economy begins to improve, now is the time to lay out plans to increase sales and market share.

Focusing on your existing customers is 15 times easier than trying to recruit new ones; however, this is not the year to ignore new sales. As firms start to gain confidence in the economy, many opportunities for sales expansion will arise. I think a valid resolution and goal for 2010 is to increase sales by more than 10 percent.

While 2009 has been incredibly difficult, 2010 will be better! In 2010, entrepreneurs should concentrate on effectively managing cash flows with a plan that does not require very much in new bank financing. Additionally, you need to monitor and manage the culture and morale of your business to ensure that these critical elements do not decline. Finally, increasing sales this year is so critical as the economy will be improving, providing a perfect time to expand market share.

You can do this!

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