

For Us, It's Back to Basics

by Bob Bloom • INK & TONER USA

When the stock market soars, your advisor is a financial genius, but when it tanks, he or she instantly becomes stupid. Similarly, when your business is growing, you sometimes tend to think of yourself as being really smart. Why is that we can become dumb so quickly when business flattens out or declines?

When my wife and I opened our store in April 2004, business grew rapidly. We hit the breakeven point in three months, finished 2004 with \$128,000 in sales, soared to \$401,000 in 2005, jumped to \$502,000 in 2006 and grew to \$558,000 in 2007. Everything was great.

But we ignored the warning signs. Our 2007 goal was \$600,000 and we realized by mid-year that we were not going to make it. The last few months of 2007 were a bit of struggle, but we looked at the year as a whole and felt we did rather well, especially in comparison to many of our customers' businesses.

This year started off slowly; sales grew just under 2 percent from January through April. May through August has been a different story — down 23 percent, with most of the decline in June, which was down 51 percent alone. Overall, we're down about 11 percent year-to-date.

We pride ourselves on our business planning. We review our

plan periodically, and always at the end of a year or the beginning of the next. So what happened? Did we, as the expression goes, get "fat, dumb, and happy?" Absolutely. Did we fall asleep at the switch? Probably. We do have a little bit of an excuse. An unexpected illness diagnosed early in 2008 was a distraction for all of us for several months and kept me out of work for most of May and all of June.

And when we see businesses of all types closing up — sign stores, restaurants, check cashing stores, craft shops, every type of business — we know it's not all our fault. The economy basically stinks right now and it's impacting all of us. When my largest customer lays off 300 people (out of 1,300), they will print less - and buy less. When a cell phone store customer tells me that his business is down 40 percent, I

know that he's just struggling to keep the doors open. When my business customers tell me that they wish they were only down 11 percent, I know that it's bad out there. And you really don't even have to ask; you can just "feel" it.

So what do we do? We know that there is business out there. Consumers and businesses still need to print, perhaps less than before, but print they must. So it's very simple — we just need to get more customers. OK, it's not so simple.

For us, we're going back to the basics. We're looking at the things that worked best for us before and renewing our efforts. To use the football metaphor, we'll focus our energy and budget on the fundamentals - blocking and tackling.

We're big believers in network marketing. My wife Jane is our primary networker and she's very involved in Chambers of Commerce, a local



referral group and other organizations. It has paid huge dividends for us, as we've gained long-term, loyal customers through the relationships that she has built. With all that, she just joined another prestigious women's business organization.

Shortly after we opened our store, I joined a referral group, and it worked well for us for two years. As business grew, it became more of a chore, as my core responsibilities were to run the business operation.

The sales generated by my membership in the group were good, but we felt that we could afford to give it up in order to focus on my other responsibilities. But I just submitted an application to join another busi-

ness group. It's time to get back in the game.

We've never had an outside salesperson. We've thought about it before, but it never felt as though we really needed to hire someone. After all, business was good, and we were fat, dumb and happy. We're considering it now (perhaps every small business owner should ask the Fed for a loan to put just one person to work).

I look at it this way: We can either take a passive approach and wait for the economic "downturn" (although it sure feels like a bad recession) to end, or we take an aggressive approach and fight our way through it. There will, unfortunately, be a purging of businesses of all types

during the coming months. The ones who make it through these very tough times will likely emerge strong and reap the rewards. We plan to be part of this latter group. We're not going to stand pat and just wait for better times to come. **B**

Bob Bloom is vice president and COO of INK & TONER USA, a West Palm Beach, Fla., ink and toner retail store and trainer/licensor for retail stores. Contact him at bob@inkandtonerusa.com or visit www.inkandtonerusa.com.