

## **FEATURE**

# **How to Successfully Navigate Your Business through an Economic Downturn**

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An economic downturn is a phase of the business cycle in which the economy as a whole is in decline. This phase basically marks the end of the period of growth in the business cycle. Economic downturns are characterized by decreased levels of consumer purchases (especially of durable goods) and, subsequently, reduced levels of production by businesses.

While economic downturns are admittedly difficult, and are formidable obstacles to small businesses that are trying to survive and grow, an economic downturn can open up opportunities. A well-managed company can realize the opportunity to gain market share by taking customers away from their competitors. Resourceful entrepreneurs capture the available opportunities, from an economic downturn, by developing alternate methods of doing business that were never implemented during a prior growth period.

The challenge of successfully navigating your business through an economic downturn lies in the realignment of your business with current economic realities. Specifically, you, as the business owner, need to renew a focus on your core clients/customers, reduce your operating expenses, conserve cash, and manage more proactively, rather than reactively, is paramount.

Here are best practices that will help you to successfully navigate your business through an economic downturn: [Read More](#)

## **NEWS IN BRIEF**

### **LONDON TOPS IN CARD FRAUD**

The latest report on card fraud in the UK lists London top for 'card not present fraud' over the last six months. In the top ten card fraud hot spots, Romford and Manchester are listed third and fifth respectively.

The latest data was compiled by Security analysts The 3rd Man. They say they looked at 30 million online and mail order card transactions from high street retailers.

The 3rd Man report shows a drop in card fraud incidents in Liverpool and Kilmarnock.

Andrew Goodwill, director of the group attributes the fall to increased levels in policing on card fraud in these areas.

### **EU COMMISSION CONSIDERS Tax BREAK FOR SMALL BUSINESSES**

The European Union(EU) Commission could soon agree a plan that will cut VAT rates for some small companies.

Reports indicate that the Commission favours easing the rates in a bid to assist labour intensive and service companies in the current economic climate.

Any changes are likely to benefit small computer outfits, cleaning and gardening services, domestic care providers and restaurants

The decision is expected right after EU parliament summer break which runs until month end.

## CARDS OUT AS CASH BOUNCES BACK

As the credit crunch takes hold, the British Retail Consortium (BRC), is reporting that more of us may be ditching plastic in favour of cash.

According to the BRC, transactions in cash are up to 60 per cent from 54 percent last year. It says in terms of value, this year, cash is being used for 34 per cent of retail purchases, up from 32 per cent on last year. BRC Director General Stephen Robertson said while total retail spending continues to grow, there is a widening gap between the amount spent in cash and the amount spent using cards.

The BRC feels that the resurgence of cash will delight retailers, whom it says 'feel they are being unfairly charged for processing card payments.'

## LEWES SET TO LAUNCH OWN POUND

Residents of Lewes, East Sussex, have come up with a novel plan which they say is aimed at keeping more of their cash in the town. They are launching their own currency and it will be legal tender in the town.

The Lewes pound is said to be designed to support local shops instead of big supermarkets. One report says it will be accepted in around 30 locally-owned shops and a first run will produce more than 10,000 notes is expected.

It will be the biggest launch of a district currency in the UK in over a hundred years. Lewes had its own pound in 1895 and this time around the organisers have been boosted by the decision of the town's branch of Barclays Bank to accept the 2008 Lewes Pound

Define:

1. Market Power

2. Tax Deductible

3. Financial Year

*Answers! Please come back in September.*