

# Best Practice Bulletin

The Exclusive Newsletter For Best Practice Subscribers

## MANAGING TOUGH TIMES

International macro economics is not an area over which an individual residential agency can have any influence. That said, there are still actions which will assist any business to come out of a significant market downturn in a sound financial position.

1. **KNOW YOUR CASH POSITION.**  
 Be ultra conservative. Assume revenue will fall 10%-15%-20% then prepare a revised cash flow projection for 1-3-6 months out.
2. **JUSTIFY EVERY EXPENSE.**  
 Analyse every expense item as a percentage of total revenue. What expense item can be reduced or eliminated. No expense is sacred.
3. **REMOVE NON-CORE EXPENSES.**  
 Consider eliminating entirely expenses such as sponsorships, entertainment, gifts and promotions.
4. **REDUCE LABOUR COSTS.**  
 Residential agency practice is labour intensive. Any income generator not making profit point must go, otherwise they are being subsidised by achievers. Labour costs can only be reduced by shedding employees and/or reducing their remuneration packages. Remember tough times call for tough actions.
5. **GET ADVICE AND HELP.**  
 Use your accountant, book-keeper, business consultant to help you work through challenging conditions and always keep your banker/ financier up-to-date.
6. **POSTPONE CAPITAL OUTLAYS.**  
 If it can be delayed.....delay it.
7. **KEEP THE TEAM ADVISED.**  
 Keep all agency personnel advised of the current market and your proposed actions. The agency owner must remain positive and energetic. Now is the time for real leadership.
8. **ACT NOW.**  
 Do not procrastinate. Every action should be implemented without delay.



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6	BEST PRACTICE CONSULTANTS
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### SUGGESTION

Meet with the person who helps you work "on" your business and discuss this article point by point.