

PALIUS + O'KELLEY LLP

CERTIFIED PUBLIC ACCOUNTANTS

BUSINESS FITNESS NEWS



BUSINESS FITNESS TRAINING
EXCEPTIONAL SERVICE · VALUED WORK

Happy New Year everyone! This year we will be focusing our Newsletters and Whitepapers around quarterly topics. Throughout first quarter we will be focusing on "Thriving not just surviving"! A recession can actually be an opportunity in disguise. Below we will take a look at your recession solutions. Remember, 2009 is your time!

Thrive Don't Just Survive

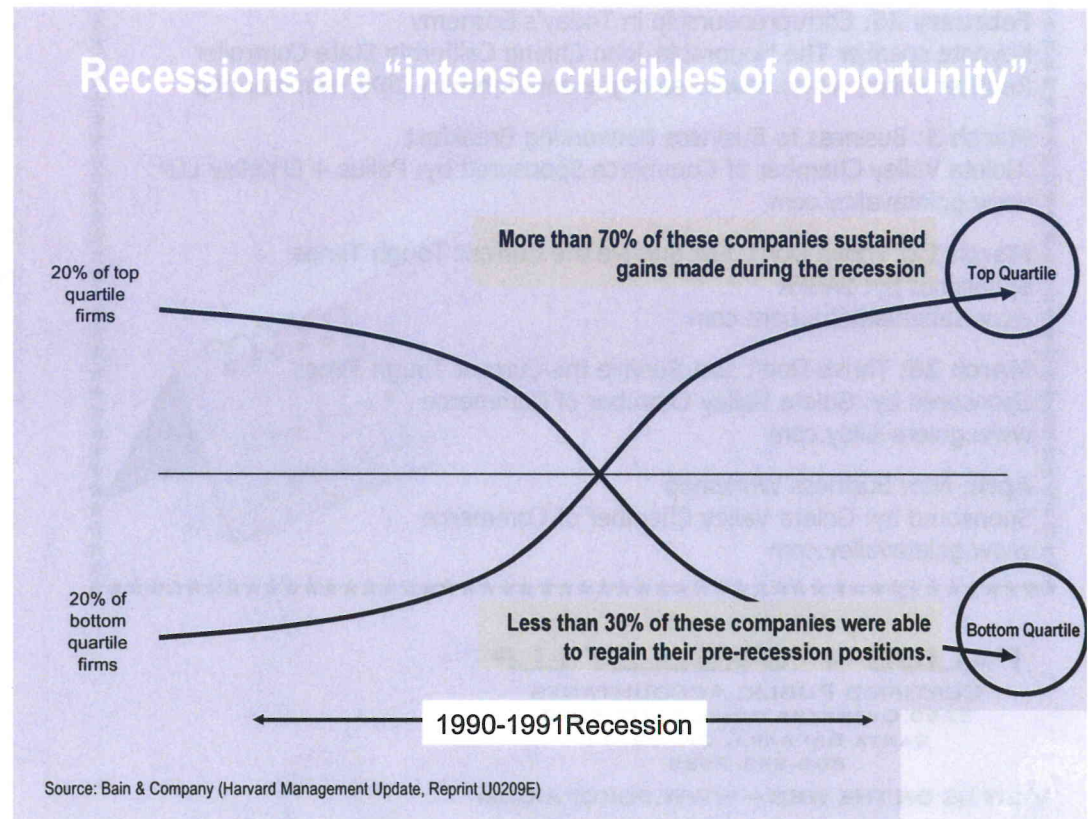
Recessions "shuffle the deck" more than boom times do. A study by Bain & Company found that twice as many companies made the leap from laggards to leaders during the last recession as during surrounding periods of economic calm.

The study found that one-fifth of companies in the bottom quartile in their industries jumped to the top quartile during the 1990-91 recession. Meanwhile, more than a fifth of all "leadership companies" (top quartile) fell to the bottom quartile.

Even though opportunities always exist to rise above your competitors at any time, the rises yielded from a recession seem to have a higher impact and endure beyond the recession. It was found that 70% of the companies that rose to the top sustained those gains that they made.

Do not accept a recession as a reason for a drop in sales. Do not make the mistake of believing your firm will accelerate past competitors once the economy recovers. If you start to notice things going wrong, evaluate your business's health and make the necessary changes to adapt to the downturn. Know your margin of safety: Know how much your gross margin can shrink in order to break even. Reduce capacity, eliminate unnecessary costs, and focus on the important aspect of your business.

For more information on what to do during these troubling times please ask us about the "Thrive: Don't Just Survive the Current Tough Times" seminar, and see our upcoming events listing on the back of this newsletter.



Should You Spend Money Marketing in a Recession?

Most would think that spending money on marketing your business during tough economic times would be as wise as riding a motorcycle without a helmet. But when managed properly, businesses who market wisely may not feel the impact of a downturn economy.

There are two keys to achieving this: 1) targeting and identifying your profitable prospects are 2) maintaining a strong relationship with your ongoing profitable customers.

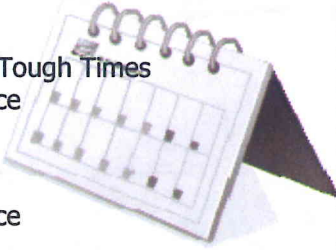
There are companies that sell lists of companies with contact names and information. These lists can be purchased by industry, demographic information and even geographic information. There are also analytical and forecasting tools that can identify your best prospects by industry. Investing ahead of time in a well-informed list of prospects can save you thousands in returned mail, printing costs and wasted labor.

Another important marketing strategy is ongoing credit screening and evaluating. You need to be aware of companies that are likely to pay on time or not. This is not only true of prospects but of ongoing customers. Your business's financial status is relative to that of your customers. So be sure to evaluate their financial standing periodically.

Your current clients may indeed be your biggest opportunity. Consider ways to maximize the dollars your current clients spend at your business. While it may take some creative positioning and time building strong relationships, this strategy often proves the most successful, especially in tough times.

To discuss these ideas more specifically, please feel free to contact us. We would be happy to assist you.

 ★ **UPCOMING PALIUS + O'KELLEY LLP PRESENTATIONS & EVENTS** ★
 ★ **February 25:** Entrepreneurship in Today's Economy ★
 ★ Keynote speaker The Honorable John Chiang California State Controller ★
 ★ Register online: www.nawbo-sb.org/events/february2009/-seminar.php ★
 ★ **March 3:** Business to Business Networking Breakfast ★
 ★ Goleta Valley Chamber of Commerce Sponsored by: Palius + O'Kelley LLP ★
 ★ www.goletavalley.com ★
 ★ **March 12:** Thrive Don't Just Survive the Current Tough Times ★
 ★ Sponsored by: SABER ★
 ★ www.sabersantabarbara.com ★
 ★ **March 26:** Thrive Don't Just Survive the Current Tough Times ★
 ★ Sponsored by: Goleta Valley Chamber of Commerce ★
 ★ www.goletavalley.com ★
 ★ **April:** New Business Workshop ★
 ★ Sponsored by: Goleta Valley Chamber of Commerce ★
 ★ www.goletavalley.com ★
 ★*****



Fast Tax Facts:
<u>Mileage Rate beginning Jan. 1, 2009 –</u>
55¢ per mile for business miles
24¢ per mile for medical and moving miles
14¢ per mile for charitable miles

PALIUS + O'KELLEY LLP
 CERTIFIED PUBLIC ACCOUNTANTS
 5290 OVERPASS ROAD, SUITE #220
 SANTA BARBARA, CA 93111
 805-683-7585

VISIT US ON THE WEB – WWW.POKCPA.COM

**Business Fitness News
inside!**

