



Treading water is a poor business plan

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by John F. Dini

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At least weekly, some small business owner says to me, “I can’t make any big changes in my business until this recession is over.”

If there is one thing I appreciate about the Great Recession of 2008, it’s that it has finally ended excuses about the problems created by 9/11.

For those who are blaming the recession as their reason for not growing, I have some bad news. The recession is over. This is the recovery.

Although the Great Recession technically ended in 2009, it’s easy to understand why entrepreneurs think we are still in a depressed economy.

Unemployment remains high, new construction is anemic and real estate values nationally still have a long way to rebound.

Customers remain acutely sensitive to price while demanding greater levels of service. It’s hard to increase margins when employees expect raises, and the cost of their benefits continues to escalate.

For a small business, these day-to-day pressures make it feel like we are slogging through a slow-motion dream swamp. We can’t get going fast enough to get out, but if we stop for even a moment we will start to sink. For most owners under 55, this is by far the longest period of struggle in their careers, but there is some good news.

First, you’ve made it this far.

Odds are that you know at least a couple of marginal competitors who have exited the market. That leaves more room for you.

Surviving means that you have a better handle on costs and expenses than when business was just walking in your door. That will serve you well for as long as you run your company.

Second, you are in the best possible market for small business. The Southern United States is the fastest growing part of the country. Texas is the fastest growing state in the South. San Antonio is the fastest growing city in Texas.

If you can’t figure out how to grow in this market, there aren’t any others where you would fare better.

Finally, the best news is that you are a small business. General Electric, Ford Motor Company and Dell have to sell to everyone. If you are like most businesses, you only have to sell your products and services to a limited clientele, or in a limited geography.

Of course your customers have less to spend since the downturn, but small businesses seldom have a dominant market position. They are one of many competitors, each serving a limited percentage of the market. There are plenty of other customers out there; they are just being served by someone else.

Step back from the day-to-day work of running the business, and take a fresh look at your competitive environment.

Are there new opportunities available because another vendor has cut back on service, or left the market entirely? Does mobile technology allow you to extend your reach geographically?

Does every prospect in your current market have your latest materials and information?

The instinctive human reaction to danger is to freeze. In business, standing still is a poor survival strategy.

After all, it's an ill wind that blows no one good.

About the author

John F. Dini is widely recognized as one of the nation's leading experts on small business ownership. He is a consultant and coach to hundreds of business owners, CEOs and Presidents of companies. John is an outlier in coaching business owners, having achieved the rare feat of delivering over 10,000 hours of face-to-face, personal advice to entrepreneurs.

Mr. Dini is the author of *11 Things You Absolutely Need to Know About Selling Your Business*, now in its second edition. He is a serial entrepreneur currently operating his 9th company, and has conducted business in all 50 United States, Canada, South America, Europe and Asia.

John founded and operates the most successful peer group franchise in North America, overseeing 9 monthly meetings of business owners' groups under the auspices of The Alternative Board®. He holds a Bachelor of Science in Accounting from Rutgers University, a Master of Business Administration from Pepperdine University, is a Certified MBA, and holds six additional certifications in exit planning, business brokerage, behavioral analysis, medical practice management, facilitation and coaching.

Mr. Dini writes numerous articles on business topics for newspapers and magazines, in addition to his weekly column on business ownership on this website www.awakeat2oclock.com and his opinion blog at www.awakeat3oclock.com. He speaks frequently to business groups and national associations, and is a 10-year member of Jim Blasingame's "Braintrust" appearing regularly on "The Small Business Advocate" nationally syndicated radio program as an expert in the issues of business ownership.