

The Challenge of 2009 – Taking Stock of Your Business During These Difficult Times

By our founder, Les Drover

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Everywhere we turn the news is bad. It almost seems as though we are in the midst of a worldwide disaster. Markets are down most days, and it's anybody's guess where it will all end. Our banking system is reasonably healthy, but still, nervous and cautious. Credit is tight. Interest rates on certain types of debt are going to move higher and will increase. We're not economists however, just because the Bank of Canada reduces the cost of money, under today's circumstances, it does not follow that the cost to borrow will go down by the same amount – if at all.

One of the strongest things in our arsenals of courage is focusing on what we can control: our emotions and reactions. We must stay focused on our long term plans, and know this recession will pass and better days will come again. Centuries of history have taught us that.

Until then, stocks will probably go down further as brokerage houses require more equity in their clients' margin accounts, forcing many to sell at reduced prices. It will continue to spiral downward until a reasonable and acceptable amount of exposure is realized. At some point there will be a buying frenzy for the bargains and this will spur a more positive atmosphere for everyone. When? No one knows for sure. Some experts say two or three years, others longer.

We simply do not know.

What we do know is that companies need lines of credit to operate and, obviously, without accessibility, executives must move to conserve cash, protect assets, retain key people, service and supply their customer's requirements, and plan for better times ahead.

Until then, we are bound to see layoffs and business losses in the days and months ahead and there will be an inherent attitude of negativity among many.

So, what to do? To quote an old cliché, "When the going gets tough, the tough get going," it's time for Canadian business people to get tough. We cannot just take all the influencing factors to defeated hearts and just give up.

Every company is unique and has a different product and service to offer. It's time to find that market niche, the reason we are all in business today, and go back to basics and serve that niche.

Looking at our business fundamentals it is immediately evident that in times like these companies truly need our services more than ever. As harried business managers put out bush fires to keep the doors open, our efforts are one ray of sunshine as we work in the background to control and reduce costs. We do in fact save them money; help them from taking potentially disastrous measures; and, with confidence in us, they have more time to handle the fires more effectively.

There is no doubt that during times such as these the suppliers to our clients, the ones we work to keep in check, will be working to shore up their own efforts to survive profitably. They will need watching more than ever before, which is exactly what we do.

So after looking at the facts, as bleak as things appear right now, it's clear that we are up to the challenge - ready and waiting to help companies control and reduce the costs of one of their biggest investments: energy and commodities. In fact, this challenge is turning into an opportunity.

We think the same holds true with other businesses as well.

Les Drover, 1940-2009