

**Top Value Added Reseller****Celebrating More Than 25 Years of Service****Providing you with the RIGHT solution for your business.**

## Action Items to Prepare Your Business for Economic Downturn:

### Review your technology infrastructure

**Software:** Have you upgraded your business software to its latest version and installed all of the service packs/patches? Are you operating efficient, integrated and streamlined business management software? Or, are you utilizing many disparate programs and spreadsheets to manage the critical areas of your business, such as: accounting, inventory, e-commerce, marketing, sales, and customer service (just to name a few)?

Thoroughly integrated business management software systems enable your business to function as a lean and efficient operation. Fully integrated accounting, inventory, e-commerce, sales and customer service systems can not only help your business survive a recession, but they may also facilitate outperforming the competition.

- [Comgine](#) is an example of an innovative business management tool that offers integrated accounting, e-commerce and inventory management as a streamlined software solution. We've recommended this streamlined solution to ensure that our clients maintain: accurate sales forecasting, appropriate inventory levels, a lean business operation, ready access to company resources, customer loyalty and increased revenue generation. Comgine can be purchased and installed in-house on your servers, or the entire solution can be hosted for a monthly fee.

**Networks/Servers:** Do you maintain your networks/servers on a frequent basis? If your networks/servers require upgrades or maintenance, now is the time to invest in such improvements.

### Review your sales and marketing plan

Consider what you are selling to the marketplace and ask yourself these questions: "What's changing that might affect my business' sales? How will my company fare when shifts in demand for products and /or services change? How will my company handle a shift in customer base?" Often, adopting a narrow sales and marketing focus can produce beneficial results for your enterprise. Concentrate on your best customers, key market segments and areas of your business that are most important. Review sales forecasts and revise expense budgets. Cut budgets where necessary.

### Secure your lending relationships

Owners and managers of small-to-mid-sized businesses, of every type and form, should sit down with their banks and others who supply credit to review and discuss current financial circumstances.

### Improve your supply chain

Scour the markets for better prices on everything you purchase from vendors. Take some time now to find out which vendors are offering the lowest prices and best money saving deals.

### Motivate your employees

You might consider offering department incentives for improved performance, reducing waste, utilizing more efficient business processes, and for each department's resourcefulness during difficult economic times. You might also consider profit sharing with highly productive staff members. For the underperformers, it might be time to encourage them to find a different job.

### Clean up your financials

Consultants caution their clients not to wait for the recession to hit before cleaning up their financial statements. Business owners need to make their financial statements as transparent as possible. In the past, credit from banks was relatively easy to obtain. Due to the current economic difficulties, many small-to-mid-sized businesses may find obtaining bank credit very difficult. Banks are now requiring small and mid-sized businesses to provide them with strong, thorough, complete and audited financial statements before extending any credit.

## Try to control your cost structure

Small-to-mid-sized businesses owners need to ask themselves how much it really costs to deliver a service or make a specific product. Often, company leaders can explain their pricing structure well, but do not know which products and/or services are most profitable for their business. Surprisingly, in some instances of an economic downturn, the lower-margin products have helped businesses survive a recession. This can occur if/when there is a steady demand for those items.

## Take a look at your customers

It is also a good idea, when faced with a recession, to review Dun & Bradstreet credit reports for your current customer base. By performing this type of research, it may provide you with information regarding which clients/customers may not be able to survive a recession.

## Conserve your cash

Small companies should make an effort to keep inventories lean. Credit specialists and loan workout specialists recommend that, in times like these, items which can not be liquidated should not be purchased. They also suggest that business leaders refrain from purchasing any capital equipment that is not needed at the moment.

## Cornerstone Consulting

(813) 321-1300

For more than twenty-five years, we have provided products and service support for accounting, operations, customer relationship management, and the specific needs of the wholesale distribution, pharmaceutical, nutraceutical and manufacturing industries. Premier Value Added Reseller of Comagine's integrated e-commerce applications and a leading provider of Sage and SAP business management software solutions to small and midsize organizations.

## Economic Downturn Services

- Audits Performed by CPAs
- Business Process Improvement
- Strategic Planning
- Temporary CFOs
- Mergers and Acquisitions Assistance
- Technical Support
- Custom Development
- Application and Website Hosting

Cornerstone's services include installation, configuration, implementation, modifications and training for: Sage Pro ERP, Manufacturing, and CRM Software; SAP Business One and Comagine E-commerce applications. We also provide: system integration for LAN, WAN, VPN, wireless and Internet networks, Custom Programming, EDI, Barcodes and Scanning, RFID, E-commerce, Website Design and Hosting, Security, Networks, Remote Monitoring, as well as Custom Web Application Development.

## Business Solutions

- Operations Analysis
- Business Technology Analysis
- Accounting Solutions
- Customer Relationship Management (CRM)
- Warehouse Management Solutions
- Inventory Control
- Manufacturing / Distribution Solutions
- Supply Chain Management
- Sales Automation
- Custom Application Development
- Software Customization and Integration
- Report Design, Modification, or Creation
- System Installation and Implementation
- Training (Onsite or online)

## Network Integration

- Network Analysis and Design
- Windows Integration and Migration
- Email and Outlook Integration
- Network and Internet Security and Firewalls
- Telephony Integration via VOIP Solutions
- Remote Access Solutions

## E-commerce / Web Development

- Technical Strategy
- Integrated Web Solutions
- B to B and B to C e-Solutions
- Intranet Development
- Complete Website Services
- Website Content Management
- Website Search Engine Optimization
- Database Design / Implementation
- Online Brand Development
- Web Marketing

## Programming

- Microsoft SQL, .NET, ASP, XML
- Microsoft Visual FoxPro
- HTML, COM, C#
- ColdFusion, JavaScript, Flash/Actionscript
- Dreamweaver, Photoshop



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# Review of Economic Events

The worldwide economic turbulence has caused many small and mid-sized business owners to make swift improvements to their business management processes. With streamlined and automated technology, business leaders now have a way to defend their organizations from more drastic measures such as downsizing layoffs and bankruptcy. Many effects of preparing for a pending economic recession, or possible depression could be considered negative. On the other hand, fear of a looming recession can be an incentive to make positive changes within the technological infrastructure, management and operations of a business.

Destabilization of the global marketplace can also prompt business leaders to be creative and “think outside of the box” in order to prepare for the possibility of a lengthy recession. For instance, many company leaders who procrastinated are now implementing integrated, automated and streamlined systems to fine tune accounting, inventory management and e-commerce business components. Not only are leaders taking advantage of innovative technology solutions to streamline their operations, but they are also revising business plans, focusing more on core competencies, and finding creative ways to sustain positive business growth during such difficult economic times.

Recent events such as: the collapse of investment bank Lehman Brothers; Bank of America’s purchase of Merrill Lynch (at pennies on the dollar); the United States Government’s bailout of Bear Stearns, mortgage giants Fannie Mae and Freddie Mac and insurance giant American International Group Inc. (AIG) generated uncertainty among business leaders regarding the stability of the global marketplace. In addition to the financial meltdown of many industry giants, economists and corporate leaders have expressed concerns regarding: the possibility that China could withdraw very significant amounts previously invested in our economy; extremely large federal spending deficits; the apparent inability of Congress and the Senate to restrain spending; potential business tax increases; trade deficits; the sub-prime crisis; real estate values unending downward spiral; and, an extremely unstable stock market. To compound the distress of company leaders, the International Monetary Fund (IMF) recently issued a statement that the economy is likely to contract in the third quarter and into early 2009. If so, that means business growth should substantially decline. Brian Bethune, Global Insight Chief U.S. Financial Economist stated, “The seizing up of global credit markets -- in conjunction with further deflationary pressure on asset prices -- poses significant downside risks to growth ... in the United States.”

Even though (a) the Federal Reserve worked with central banks to mitigate the financial crisis by cutting a key interest rate by half a percentage point and (b) lawmakers gave the Treasury power to purchase hard-to-value assets, confidence in the embattled financial markets will not be restored overnight. “Changes in monetary policy can affect real economic activity, such as the unemployment rate or output growth, but only temporarily and with considerable uncertainty as to timing and magnitude,” said Charles I. Plosser, President and Chief Executive Officer of the Federal Reserve Bank of Philadelphia. Plosser further stated, “The effect of lower interest rates on economic activity may not be felt for 9 to 18 months.” Therefore, business leaders must prepare to weather a recession or potential depression that may last for quite a while.

History demonstrates that small-to-mid-sized companies will be among those hardest hit, when a recession occurs. Lacking the resources of bigger players in their industries, when a credit crunch occurs smaller companies are usually the first to appear on watch lists of skittish banks and suppliers. To some small and mid-sized business owners, the prospect of weathering such a severe economic storm is daunting. Yet, throughout history, difficult economic times have presented business owners with opportunities to capitalize on their experience and the scope of their leadership skills.

In the modern era many leaders have adopted integrated software solutions to streamline business management processes, made adjustments to products and/or services pricing, revised their marketing efforts, constrained negative cash flow and made other necessary decisions for survival. There are critical steps leaders of small to mid-sized businesses can take now to cope with a sustained economic downturn. If you’d like the assistance of professional information technology consultants, please call (813) 321-1300 today.



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