

A low-angle, close-up photograph of several runners' legs and feet as they jog on a paved road. The runners are wearing various athletic shoes in colors like orange, yellow, and blue. The background is blurred, showing more runners and spectators, creating a sense of motion and a busy race environment.

# Running Lean

**Preparing your business for economic down turn!!**

# Best Two Years ever!!!

- Sales have been through the roof.
- Profits are high.
- Government gave us money.
  - PPP Loans
  - EIDL Loans
  - State & Local Grants
  - ERC Credits



# But....times, they are a changin'

- We are in a recession.
- It's going to get worse before it gets better!
- Inflation will continue.
- Sales will drop.



So what do we do?

# Sales

- We need to keep raising our prices as our cost continue to go up.
- Don't be afraid! You cannot afford to absorb the extra costs.



# Cost of Goods Sold (COGS)

- Make sure your pricing models are up to date.
- Update prices quickly and frequently as costs increase.
- Tighten up on Inventories.
- Watch overstuffing.

(designers need to understand that a \$75 arrangement is now \$95)

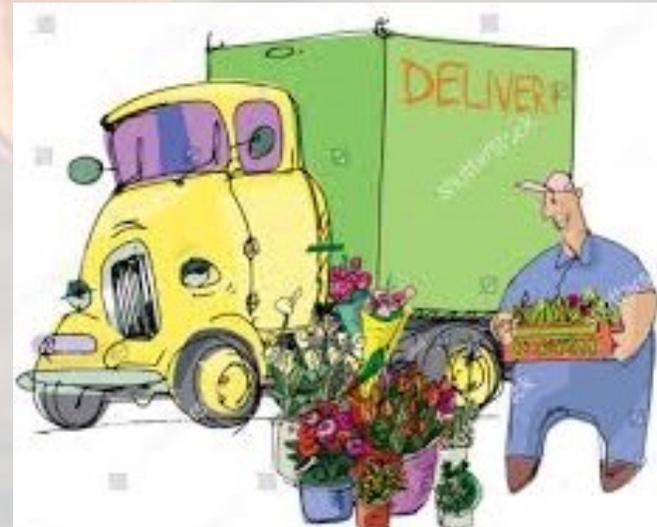
# Labor

- Many shops have been understaffed.
- Resist the urge to hire now.
- Pay your people well.
- Use incentive when you can.
- Provide a good environment.
- Offer as many benefits as you can.



# Delivery

- Charge More.
- Determine your average delivery costs.
- Look into alternative delivery (Roadie, Uber, Etc.).
- Charge More.
- Charge More.
- Charge More.



# Restructure your Debt

- Bank are willing to lend you money when you don't need it.
- Consolidate and eliminate high interest rate debt where possible.
- Resist the urge to use all of your cash and pay everything off!



# Look for Stupidity in your Operation

Examine all of your processes with a critical eye

- Does the way we do this make sense, given new technology and information?
- Is there a faster, newer, more modern way.
- Do we need to do it at all?
- If “you’ve always done it this way” then **LOOK EXTRA CLOSE!**



# Control Your Cost

- Examine all of your expenses to see if you can cut or eliminate them.
  - Some ideas:
    - Discounts
    - Vehicles
    - Insurance
    - Telephone & Internet Costs
    - Dues & Memberships
    - Donations
    - Banking



# Control Your Cost

- A couple areas where you should not skimp.
- Attorneys
- Accounts
- **DON'T STOP MARKETING**

Thank you



**Crockett Myers**  
*Helping Your Profits Grow*

Derrick P. Myers, CPA, CFP, PFCI

[www.crockettmyers.com](http://www.crockettmyers.com)

410-760-5555