

NJBIA

REPORT TO MEMBERS *By Philip Kirschner, President*

New Strategies for Surviving the Recession

In these tough economic times, businesses have to use all of the information, ideas and strategies they can find just to survive. To help, NJBIA has established a Recession Survival page on its Web site (www.njbia.org/resources) with a broad array of resources to help businesses in tough times.

NJBIA also recently held a seminar, *Surviving the Recession! Expert Advice for Running Your Business in Tough Times*, explaining many ways to cut costs while still keeping your company strong. NJBIA brought together experts to give NJBIA member companies practical advice on cutting costs, reducing property taxes, and making the most of government programs.

Attendees heard from Lloyd Bettis of the National Bureau of Property Administration on how to reduce property taxes; Anthony Calascibetta of Wiss & Company, LLP on how to work with customers and vendors in an economic downturn; Kevin Gray of J. Galt Associates on new areas to look for cost savings; Caren Franzini, executive

director of the NJ Economic Development Authority, on state loans and grants available to businesses; and Jerry Murphy, COO of the NJ Schools Development Authority, on how to be a part of the state's \$3.9 billion school construction program.

The speakers came at the problem from many angles, but the one common theme from the

presentation was: Be proactive. Times may be tough, but you don't have to just sit there and take it. There are things you can do to protect your business now.

First, you can look for new areas to cut expenses. Gray said the old philosophy of just cutting personnel is no longer valid. Galt Associates has analyzed 50 "cost centers" where companies can save money without reducing their workforce. The idea is to question everything and create an atmosphere of constant cost control.

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Calascibetta advised businesses to start by determining what is the worst thing that could happen (i.e. a key customer going out of business) and develop a contingency plan to counter it. Look for warning signs that customers and suppliers could be in trouble, such as slower payments or increased complaints and disputes, which are often used to delay payments.

You can also take a careful look at your property taxes. With real estate values plummeting over the last couple of years, many businesses are trying to save money by appealing their property tax assessments or renegotiating leases. But why wait for a tax appeal in the spring? Bettis advises businesses to get in touch with their town's tax assessor in the fall when they are putting together their assessments for the coming year. It's a lot easier to make your case at the beginning of the process than to try to get tax assessors to change their minds afterwards.

Times are tough, but there are options for getting through the recession until better times arrive. And remember to contact NJBIA if we can assist you in any way. **NJB**

