

Best-Laid Plans

Resolve to ride out the recession with a better business

By Alan Greer

Well, here we are in the middle of a recession. The fault lies with the _____ (you fill in the blank). I don't know about your city, but here in Memphis we still have to wait for a table at popular restaurants. The movie theatres seem to be thriving. I understand the summer traffic at Memphis South (Destin, Fla.) is as congested as ever. Our family vacation was to New York this summer. Every show we went to was packed. Every restaurant we went to was busy; some had waits. One restaurant that has a lot of movie memorabilia had a line of about 30 people waiting for tables at 11 p.m.

Fortunately or unfortunately, I'm not in the restaurant, movie or show business; I'm in the hardwood flooring business, and we don't have lines right now. Oh, we have short lines occasionally, for about 10 minutes, but we are not having sellouts around here. As a wholesaler, we sell mainly to carpet stores and flooring contractors. I had one of my best customers tell me that, unless he got a call in the next 24 hours, he was about to have the first day in years where he didn't have work for his crews. Other customers have had plenty of days with no work to offer their crews. The homebuilders still aren't starting new spec homes, and if they are, they are limited in number, at best. They all say the banks still won't loan out money if it is for building new homes. Okay, I'm no economist, but I can add and subtract pretty well. If the homebuilders don't start adding some new

houses, companies are going to have to start subtracting some employees (if they haven't already).

Business Cycles

We have to realize this is a cyclical business. We are going to have some great years; we are going to have some poor years. I have not found a magic formula to keep my sales increasing while my market is shrinking at the current levels. Learning to be content, no matter my current circumstances, is a difficult endeavor. We all got spoiled over the past few years. Business came just a little too easily. We could get away with being "sloppy" because there were enough sales to cover up for the inadequacies.

Fine Tuning

Okay, I have set the scenario. Now, what am I going to do? This is what



I'm going to do: I'm going to do pretty much exactly what I have done since 1990, without the sloppiness. I am going to treat every customer, employee and vendor the best I can. I am going to pay my bills as fast as I can. I am going stock a little more inventory than I should, but I'll get rid of the old, discontinued, beat-up inventory quicker than usual. Collections will have to be tighter. Employees will get only two or three chances to really mess up before getting fired, instead of the usual eight to 12. I will have weekly sales meetings with my salesmen, instead of just "letting it happen." I will look for new items to add to our inventory. I will shop for truckload deals that I know will move quickly. I will try to run the business in a way so that the following three things will occur:

- 1) Customers will go out of their way to deal with us, because they want to work with us.
- 2) My employees enjoy working here and can grow professionally.
- 3) Vendors are lined up at our door to do business with us.

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New View

Before, if I needed new tires on my Yukon, I would just saunter in to the tire store and ask one question, "How fast can you put a new set of tires on?" Now, I'm asking, "What are my choices at different price levels for tires on my Yukon?" That's a good thing. I am doing the same for my business—not only because I have to do it, but because I want to do it. This economy will force us to be better business owners.

When I first opened The Greer Company, I did not set any records for fastest growing company on anyone's list. I made less than half of what I had earned at my old job. I kept telling myself, "This was not a one-year plan, this was not a one-year plan." The second year was just a little worse than the first year; I kept telling myself, "This was not a two-year plan, this was not a two-year plan."

And now, here I am, twenty years later and that much wiser, telling myself, "This was not a 20-year plan, this was not a 20-year plan." ■

Alan Greer is president of Memphis-based The Greer Company.

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