

**SO NOW WHAT?**  
**10 RESOLUTIONS TO SURVIVE IN THE NEW YEAR**

By: Newt Fowler

1. How are the lines of communication between you and your partners and your key executives? Do you know what is really on everyone's mind? Are you actually talking about what is critical for your company's future? Does everyone share the same sense of urgency and focus? Is there a common sense of the market and shared vision on execution? If not, maybe such a conversation should be your first resolution; otherwise, the resolutions that follow won't do you much good.
2. You know that board of advisors you have always talked about forming? Resolve to form it. Focus not on your friends, clients and vendors, but on your company's needs – if it's marketing, then identify someone who can add real value; if it's operations, do the same. Don't be sidetracked by looking for someone popular or on lots of boards – focus on finding those who have the experience and insight you need and the desire to share it. Take each board prospect to lunch; make sure not only that the chemistry is right but that you sense that she can offer meaningful insight and critical thinking. Such a board should push you and your company, not simply affirm what you are already up to.
3. How relevant is your business plan? When is the last time you sat down with your team (inside and board) and really tested your company's strategic plan? Resolve to use these trying times as an opportunity to get focused and aligned for growth. What's your market going to look like when it starts to move again? How will your competition have fared? What pain will your customers and prospects be feeling? Where will the opportunities (new products/services; talent; prospects) lie? Get your team to buy in to the strategic plan and get ready.
4. Resolve to understand the financial “drivers” of your business. Yes, I know the answer is “sales”, but if you were asked which financial metrics provide you with real insight each week and which metrics give you a forecast for your next quarter and year, what would they be? Are your financial systems providing these metrics to you now? If you can fix your financials now, just imagine how powerful they will be in helping you restart and manage your growth. Here is a fun exercise--once you have figured out these metrics, go back and determine which customers actually provide you with the greatest profit margins and then sort out why other customers aren't as profitable.
5. If you're overstaffed and in denial, resolve to cut both the underachievers and those you simply can't use. Time is money, as difficult as this decision is. And remember that most companies wait too long and then don't cut deep enough, resulting in greater challenges. Prepare for the fallout among those who “survive” the cuts and place particular emphasis on what and how you are going to communicate with those who remain. While the cutting is tough, how you handle the survivors who are watching is critical to your future. You need to rebuild trust quickly and open communication is a critical component to that effort.
6. Look around for opportunities, both in terms of businesses to acquire and people to hire. As my colleague, Brian Cyr, mentioned in our last newsletter, these are

- the great times for buyers; but be careful of the challenges of acquiring distressed businesses. Resolve to check out market opportunities, but do so with caution.
7. Resolve to engage with your top customers. This is not a sales call or a credit call... It's a reality check. There's no better time than now to gain insight into their businesses and markets, not only in terms of future sales for you, but also opportunities they may see. Wouldn't it be interesting to know what your key customers see as product features, services and needs that they would love to see satisfied once the economy stabilizes. It is a great time to find out what your customers would like to buy vs. what you would like to sell. Understanding your customers, even if they are not buying today, will position your company well for when opportunities pick up.
  8. Talk to your bankers. Resolve to make sure that they not only understand your business, but that they share their insight into the marketplace with you. These are nervous times. Just because you haven't heard from them doesn't mean that your bankers haven't been thinking about you. You shouldn't assume they understand your business metrics and market. Such conversations will not only calm your bankers' nerves, but also enable you to accelerate their support when you are ready to grow again.
  9. If you have outside stockholders, resolve to talk to them. Share with them what you and your company are going through-- not only to weather these times but also to prepare for the future. Now is not a bad time to walk them through how you are handling resolutions 1 through 8 above, and offer them the opportunity to participate as appropriate (but beware, having a nervous stockholder meet your nervous banker is probably a bad idea).
  10. Resolve to start over again with resolution number 1. Happy New Year.

If you need assistance with business planning, or other business transactions or if you need assistance with bankruptcy or creditor's rights issues, please contact Newt Fowler (as 410-727-6683 or [nfowler@rosenbergmartin.com](mailto:nfowler@rosenbergmartin.com)) or another attorney in our corporate/creditor's rights/bankruptcy group:

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