



Profit Focus

Putting Profits on the Bottom Line SM
Allen Ray Associates

Issue #8 February 2010

Recession Got You Down?

An open and blunt message to independent wholesale distributors:

If your company's value is 20, 30, or 50 percent down for 2009 and you're feeling like all your hard work over the years just went up in smoke, you're not alone. However, don't be tempted to simply wait till the storm is over and the economy grows again. That strategy is not going to work as it might have in past recessions.

The best economic forecasts project growth rates of a maximum 4 percent for many years in the future--more likely 2-3 percent. At those rates, it will be 2018-2021 before you return to 2008 valuation levels! Are you willing to wait that long? If not, then read on.

With good reason, we can say: This recession is different. Debt financed the bubble growth, and the debt balances remain even though asset values have plummeted.

Most small businesses are running on fumes. We know because we asked them. They can't get cash! Banks are holding toxic assets beyond their tolerance level, which makes them extremely averse to further risk. The values of collateral, such as buildings, land, inventory and receivables, have slipped, reducing the amounts banks are willing to lend to even the most solid companies. If you don't already have a line of credit, or don't have \$10 million in net cash flow, you'll hardly get a look.

Thus the conundrum--even if you see growth opportunities, how would you fund them? The real question that is eating all of us is--

How do you grow when the markets don't?

Want to know how? Here's the inside track. Go to <http://GrowthWizards.com>

Growth Wizards™ is a video blog, a collaborative effort of Allen Ray and Neil Gillespie. We've launched it as part of a broader industry offering to help distributors in these very trying times.

No doubt about it. When the bubble economy burst, everybody's volume deflated to 2003-2004 levels. So how do you reverse your fortunes? Distributors need to simultaneously improve productivity, generate more cash from underperforming assets and capitalize on a new, broader set of growth opportunities. Interested in how? That's exactly what we'll be discussing.

Growth Wizards™ will offer a robust complement of books, subscription videos, webinars, and online executive coaching. Visit our Growth Wizards™ video blog with a "mall" of guest Growth Wizards--other consultants and past distributors like Jack Justilian, Sam McCamy and others. We've seen the pain. We want to do something to help and have the experience to help.

Growth Wizards™ will explore and offer real solutions to the seemingly unsolvable paradox of boosting productivity and cash while conjuring up an expanded set of growth opportunities you may never have even considered before. So check out <http://growthwizards.com> and sign up for automatic updates as RSS feeds, Tweets or as an email newsletter.

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