

How to Thrive During Tough Times

The economy is still strong, but it won't stay that way forever; some experts are predicting a downturn in as little as a year. Here's how to come out of a rough patch in the economy better off than ever.



Minimize Fixed Costs

Try to pay off any debts, such as building loans or equipment financing. Unlike bills for parts, diagnostic software or even employee paychecks, these bills will stay the same even when your car count falls. Also, avoid contracts when possible - if you're going to commit to years of future work from a vendor, it's safer to just pay for it up-front.



Build a Financial Safety Net

Financial experts suggest saving enough money to pay for 3-6 months of business expenses. For most repair shops, that's a tall order - but don't let that stop you from putting away what you can each month. Your car count won't fall to zero during a recession, but a small cash cushion can save your business during the worst months.



Customer Relationships

Customers who visit your shop because it's easy or fast will probably find a cheaper shop during a recession. When you have a relationship of trust and respect with your customers, they're much more likely to stay with you and cut corners on other expenses. This is yet another reason to ensure that you mean more to your customers than a fast oil change or a quick stop on the way home.



Employee Relationships

Many people lose income during a recession, including shop employees. Because they're in high demand, your technicians can probably find a shop nearby that will replace any lost performance pay or work hours. Keeping employees during tough times requires that they are invested in your shop, and that they view their co-workers as a second family, not a means to a paycheck.

*The chains of habit are too light to be felt
until they are too heavy to be broken.*

Warren Buffet

