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## **MINDING YOUR OWN BUSINESS IN DIFFICULT TIMES**

With the economy in a downward spiral, large corporations and small business owners face some of the same challenges.

They frequently involve both employees and customers.

Many of them can be resolved with better communications. And the sooner the better.

If the sinking economy is severely affecting your business, effective communications can make a major difference.

If you are facing a possible employee staff reduction, talk directly with those employees *before* a decision is made. Some valued staff members might be willing to work a limited schedule to gain some valuable vacation time. Others might like the idea of helping you out by accepting lower pay for a designated time period if you continue benefits.

This entire unfortunate dilemma will have better results if you speak candidly with your employees and explain the problems you are facing. Just the fact that you are sharing this information will earn you enduring respect.

Furthermore, employees have earned the right to learn about cutbacks from you first rather than reading it in the Citizen-Times.

The same applies to customers, vendors, and subcontractors. In fact, if those very important target audiences are contacted before a public announcement, you might be able to negotiate more favorable terms on payment schedules, delivery of services or products, and project completion dates.

In these troubled times, your loyal clients and other business owners could be facing the same problems and may be willing to help you.

When Yesterday's Tree suffered a tragic fire in 2003 that totally destroyed the popular store on Hendersonville Road, many customers offered their support by offering to wait for merchandise to be delivered at a later date. And suppliers did the same. The home furnishings and design company is now doing well at a new larger location.

Not surprisingly, loyal customers are responsible for about 70% of the company's business and overall business has increase 40% in the five years since the devastating fire. In honor of the firemen who risked their lives to combat the inferno, Yesterday's Tree has sponsored a scholarship at AB-Tech for the university's fire prevention technology program.

Such gestures of appreciation can also work on a much grander scale.

When a major blizzard hit Chicago in 1979, traffic of any kind into the city was virtually stopped. Despite the challenges, thousands of employees at First Chicago Bank showed up for work. Greeting them at the door was Bank Chairman Robert Abboud, thanking them for making such an extreme effort to serve the bank's customers. By the end of the day, each employee received an appreciation letter and an extra vacation day.

Two blocks away, the chairman of First Chicago's formidable competition, Continental Bank, noticed the absence of his employees and sent a memo to their offices and work stations, informing them they would receive one less day of pay for being absent. Upon hearing of this management decision, an irate employee delivered a copy of the memo to the Chicago Tribune. The media coverage that followed was humiliating to Continental for years.

During that same era, Lee Iacocca was president of Chrysler Corporation when a major production problem was uncovered. He ordered full page ads the next day in newspapers across the United States with an unforgettable headline: WE SCREWED UP. The text that followed apologized to customers and listed the steps taken to make certain it would never happen again.

Previously irate customers instantly forgave the company for such honesty.

These situations come under the heading of crisis communications.

By keeping open lines of internal and external communications, organizations can dispel rumors, build support from their most important audiences and survive in the long run.

During more than 34 years of working with large corporations and family-owned companies, I have witnessed and participated in many such turnaround situations.

A famous songwriter from yesteryear came up with the right words – "You have to accentuate the positive."

With help from your colleagues and employees, you can take it from there.

For more information, CIB can be contacted at 828.299.0813 or by email at [imagebuc@bellsouth.net](mailto:imagebuc@bellsouth.net). The website is Carolina Image Builders.com