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Savings Account in order to allow each employee to become more involved and responsible for their health-care choices. Another option is to self-insure a portion of their healthcare benefits. In addition, we have been working with many of our clients to ensure that they maintain sufficient capital levels and appropriate support from their financial institution. The bottom line is that we are extremely proactive with our clients and step up to the challenge of constantly providing value-added services.



BDO Seidman, LLP

By Mark Giamo

Audit Partner and Office Business Line Leader

Tough economic times create many challenges for both large and small businesses. During such times, small businesses can survive and even grow. The key characteristic for success is their ability to quickly adapt to economic downturns. In advising small business clients, we often discuss maintaining focus on what matters most to their business, such as thoughtful utilization of capital on strategies that create sales growth and allow the organization to maintain quality products and services to customers. Trying to do too much at once or making drastic cost cuts can hurt businesses in the long run. Strategies such as carefully considering inventory

levels and making reductions to compensate for slower sales is a way to conserve capital. Consider investments in automating workloads that increase efficiency and allow the business to do more with lower headcounts. Also, the significant workforce cuts many companies are making gives small businesses a unique opportunity to obtain highly talented individuals that can have a big impact. Small businesses should maintain awareness of local, state and federal programs and take advantage where applicable. For example, many small New Jersey technology businesses were able to monetize net operating losses through the Technology Business Tax Certificate Transfer Program.



Bederson & Company LLP

By Mark Mazza, CPA

Managing Partner

The key element of differentiation between the advice we give to our large corporate clients and that which we give to our small business clients is the influence of the owner in a small business. Frequently, in a small business, the owner's compensation is a function of the business's success. The problem is that oftentimes ownership becomes comfortable in their lifestyle and

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if you don't know anything about your client's life,
you don't know anything about your client's business.

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B.J. Agugliaro
Managing Partner
Florham Park, NJ
(973) 236-4740

Mark Reffner
Partner, NJ Private Company Services Leader
Florham Park, NJ
(973) 236-4840

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continues to draw compensation at the same rate as in prior years, without regard to economic decreases. Small business owners must focus on the disciplines that helped create their success and respond to economic realities. They must be very cautious about exhausting their equity, which they will need when business improves. A reduction in sales drops to the bottom line very quickly, so we advise

Seventy-six percent of small business owners are "not very confident" or "not at all confident" that the federal government and Congress can address the needs of U.S. small business owners.

our clients to explore new markets, go into every year budgeting for a loss of business and a plan to replace that loss. Generally, no business should overleverage itself, especially in today's climate of rising interest rates, tightening credit and shrinking lender pools. Small businesses must frequently navigate through the reefs of loan covenants. Since small businesses are dependent upon their credit facilities, they must be mindful of the debt-to-equity ratio and other ratios dictated by loan covenants.



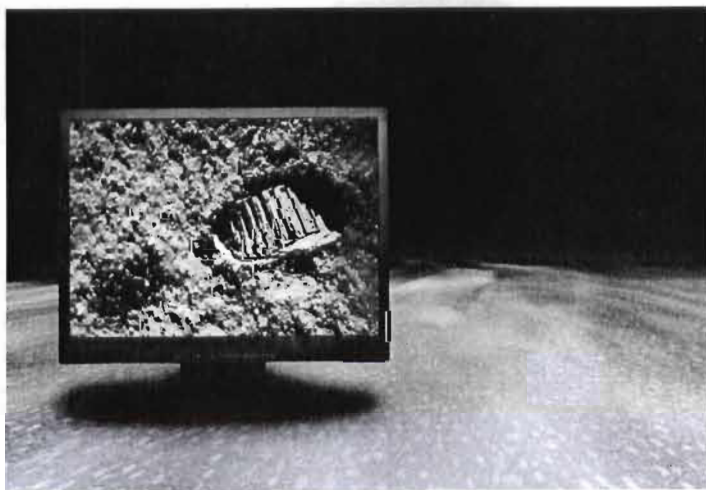
Eisner LLP

*By Charles Weinstein
Managing Partner*

CEOs are navigating an entirely new world with respect to credit availability and the use of leverage. In this world, cash is king and credit sources can be hard to find. As a result, CEOs have been forced to consistently rethink their companies' business models and strategies, focusing only on their most profitable segments and products. A lesson learned from the recession and the ensuing credit crisis is that a small company CEO needs to have a very open dialogue with the company's current lenders. The best approach to this dialogue is to have an accurate picture of the company's present financial position, its prospects in the near future and a candid acknowledgment of problems that may affect loan covenants. CEOs should be prepared to speak to the details, perhaps together with the CFO. The CEO must also rethink the company's long-term capital structure (i.e. running the business with less debt) and seek out relationships with varied capital sources (including the non-traditional) to be best positioned for the inevitable economic turnaround. CEOs can consult with their attorneys and accountants for the sources of non-traditional lenders

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