

Imagine what it would be like to be experiencing sustainable, balanced growth of your company. This is where the Act Group comes in.

**Contact us to schedule an exploratory meeting:**

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The Act Group at work ☺

## **The Firestorm is Ending**

Things are picking up! We have spoken with several clients recently whose businesses are picking up. Some are out-right swamped! This is great news for those businesses, as well as for our local economy. Let's hope its catching.

After downsizing and getting lean in 2008 and 2009, the owners, managers, and employees remaining at many of these rebounding companies are working their tails off as orders from their clients increase. This is not a secret - after the depth of the economic plunge last year, companies are doing much more with much less.

One very busy company that we know of, in order to get out of the debt they incurred while getting through last year, is doing just this. After downsizing in 2008, employees are now working yeoman hours and hiring is taking place, albeit at a slow pace. The owner is focused on keeping costs down so that both his credit line and term loan debt can be repaid as soon as possible. Smart thinking here by the owner about first and foremost getting out of debt.

Can every firm ask this kind of commitment of their employees? We're not sure. To do so, business leaders must have instilled the right culture in their company and hired people that understand the necessity, and have the commitment, to put in many extra hours when required in order to get a company back on track. And it does not end there. Once on track, companies must be prepared to take advantage of the marketplace as the economy recovers.

The company we referenced above plans to explode into the marketplace, where demand is rapidly increasing for their products. Smart business on the owner's part: he survived through last year (albeit with a lot of headaches), retained the top performers who understand the demands of business, is focused on paying off the term note and paying down his credit line, and then plans to plow every penny back into the company to ride the revenue wave that is coming his way.

Along the way, now, he is doing an amazing (and tiring) job of juggling a multitude of demands on his time, his employees' time, and his cash flow position. Concurrently, he is putting the pieces into place to efficiently and quickly make the transition from "pay down debt" mode to "market expansion" mode.

This example highlights the requirements that we consider, in priority order, **imperative for running a sound business:**

1. **Strong Leadership.**
2. **The Right, Committed People on the Team.**
3. **The Ability to Develop a Sound Plan and the Discipline to Execute It.**
4. **Never, Never Losing Sight of the Truism: Cash is King.**

With these four requirements met, we believe any business can tackle the myriad complexities of running a business, breaking the complex down into simpler, achievable components.