

# Tips in Cutting Costs during a Recession

## The Dos and Don'ts of Streamlining Your Budget

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In a recent article on Entrepreneur.com, C.J. Price examines “Smart Moves in a Bad Economy,” suggesting expenses small businesses should cut and others they should avoid. In this article we examine four of Price’s suggestions and add one of our own.

### **1. Do eliminate high-maintenance clients.**

Some clients cost you more in time than they are worth. Take a good look at your client roster and see if you have high-maintenance clients that suck more from your business than they return in fees. Of course, in the current economy, beggars can’t be choosers. So you should only consider “firing” significantly costly clients that can be emotionally, mentally, and financially draining.

### **2. Don’t eliminate good employees.**

Most small businesses are examining their staff to see who they might be able to eliminate in order to save some money. Many, in their panic, layoff valuable employees who bring money into the business. Don’t make that same mistake. Only fire those who under perform and don’t significantly contribute to your business’s profitability.

### **3. Do streamline your technical budget.**

Many businesses, especially those in the service industry, put their hard-earned money on high-end technical equipment. Luckily, an accounting firm doesn’t require high-end equipment. If you find yourself in a pinch, scale back on your computer equipment and unnecessary software. Instead of buying the latest and greatest laptop, consider purchasing the floor model to enjoy significant savings. You can also save lots of money in buying used equipment.

### **4. Don’t over cut your marketing budget.**

While you can cut back on your marketing budget, you should remember that no marketing means no growth, and in this economy you can’t afford *not* to grow. Leave enough money in

your marketing budget to adequately promote your services.

**5. Do add low-cost complementary services.**

It never hurts to make more money by adding complementary services to your menu. And when you select a low-cost service, all the better.