

Verizon

Staying lean, staying strong- A small business survival guide

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The statements and opinions by Rhonda Abrams do not reflect the views or opinions of Verizon and its affiliates.

PRESENTATION

Julie Hyman

Hi, everyone, I'm Andy Choi with Verizon. I want to welcome all of you to our Small Business Webinar Series. Now with every webinar, we bring you the latest insights for your small business by hosting industry experts who want to share innovative and inspiring ideas so all of our small businesses can succeed. Now returning once again as our host today is Julie Hyman. It's always wonderful to have Julie. Julie is a financial market expert and currently an anchor at Yahoo Finance, where you can catch her as the host of On the Move. Our special guest today is Rhonda Abrams. She's an author, entrepreneur, and a *USA Today* columnist. She joins our webinar series to talk about her new book. *Now What?!*, I probably shouldn't say the full title, because this is a family webinar, and she'll share some new tips about the importance of staying on a lean budget to recession proof your business. Can't wait to learn more? Neither can we. So, here now is Julie and Rhonda.

Julie Hyman

Thank you. So, let's jump right into it and talk about Rhonda's new book, *It's hit the fan...*, and Rhonda, I imagine that you were prompted to write this because it has, right? I mean, what we've seen over the past six months for so many people has been so extraordinarily challenging. So, talk to me about your process when you were beginning this and how you wanted to approach it.

Rhonda Abrams

Well, thanks, Julie. The reason I started to write *It's hit the fan... Now What?! 99 Recession-Proof Tips For Small Business Success* is that for over 25 years, I've been an advocate for small business and working with small businesses all across this country, and there has never ever been an experience that has hit small businesses as hard and as fast, and my whole being is about helping small businesses survive and thrive, and so I pulled my team together, and I said, what could we do to be of help to people right now, and we thought we'd pull our collective knowledge together and come up with tips, some time-tested, some, especially for this particular situation, that are do-it-now tips. Not just general advice, but here's something... here are 99 things you can do. You're not going to do all of them, but at least some of them are going to help you survive. We know that and we organized, put it together, and that's what it is. It's all about trying to help people survive right now and thrive, because there are opportunities as well, and we want to make sure that people know both how to survive and to grow.

Julie Hyman

So, today we're going to be talking about, specifically, not necessarily how to raise money, because even in this environment, it's tough, but to really stretch and keep the money that you have. So, let's talk about how people can do that. I imagine that cutting costs is part of that, and so talk to me about what... I mean, when you're talking about running costs, I mean, what's really optional, because I think when you're running a business it's... and you're in the thick of it, it's difficult to see that.

Rhonda Abrams

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So, Julie, it's a really good question, and first of all, I think it's important for people to understand that money equals time. The more money that you have in your bank account, the longer you have to survive and to respond to conditions, and to have a breakthrough. So, every dollar that you keep in your bank account is a dollar that gives you more another hour, another minute, and another day, and so that's why... I mean, small businesses are always careful with their money, but now time is really of the essence.

So, when you think about costs, there are two different types of costs. There are fixed costs and variable costs, and actually, I'm going to ask everybody to think about every fixed cost as variable right now too. So, you would think about a fixed cost like rent as fixed, but now's the time, you can start talking with your landlord and negotiating. We can talk a little bit about negotiating tips, but there are plenty of costs that you can cut, starting right from the top if you have rent, but inventory. Let's talk about ways of doing that. Your cloud-based services. If you're using cloud-based services, those are pretty flexible, and anything that you are not using right now, I think one of the things is to take a good hard look at every expenditure, whether it's a check you write, whether it's on your credit card, everything and say, can I either get rid of this or can I change it, or can I negotiate it down?

Julie Hyman

So, you've given us a good outline there. So, let's go through it. Because if you're trying to negotiate, say, rent down or your cloud services and fees down, do you use the same sort of negotiating tactics for those different items, or does it really have to be tailored?

Rhonda Abrams

Well, first of all, I think the important thing with negotiation is to do it, and that's easier said than done. I mean, it's hard to go to your landlord, it's hard to call the cable company. I mean, it's hard to do these things, and it takes some time. So, the first thing to do is to get up the courage to do it, set aside time to do it, and recognize that it's a business... that you are doing a business thing here, you're not doing something that's a personal. It doesn't reflect negatively on you. So, the first thing to do is to do that. With anything like a cloud-based service, those things are usually a dial rather than a switch, and you can turn them up or down, and you can go and look at every service, and I'm a huge supporter of having everything in the cloud, especially now, if you have, we can talk about that in many ways, but everything... when you're going to go negotiate, if you're going to a supplier, if you're going to your landlord, if you're going to anyone, the first thing you do after you screw up the courage and set aside the time to do it, is do your homework, find out what's out there, what are other ones going for, what are other offers happening. Now, look out there and see what's out there and do your homework.

The other thing is, if you have any loans out there, term loans, equipment loans, your line of credit, credit card bills, right now, interest rates are low, so one of the things to think about doing there as well is to see if there are other ways that you could get lower interest loans out there, including government loans, and pay off some of those debts that have higher interest rates. Pay off a credit card bill that's handling there with a line of credit that's going to be much lower, or a government loan if those become available again. So, take a look at those and see if you can lower your costs by lowering your interest rates.

Julie Hyman

And I was going to say, there too, can you renegotiate? I mean, are some credit card companies, banks, other lenders... if you have a mortgage, it's a refinance, but are there other ways that you can go to your bank and try and make these arrangements with them?

Rhonda Abrams

A really good point, Julie. Absolutely. Consider everything as being negotiable, and there's an old saying, if you don't ask, you don't get, and right now, one thing that is unique and unique for those of us who've watched small businesses for all these years, is even big corporations want you to succeed. They're on your side. You're going to find companies that might not have been as responsive before, like a credit card company, that might be able to work with you, that might look for other products that are there for you. So, I think one other thing to keep in mind as you negotiate is never be insulting. Don't criticize the product, don't criticize your space, don't criticize

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whatever you're getting, because that puts people's guards up. Say I love this service, I want to make it work. My business is struggling right now, you want to keep me as a customer for the long-term, how can we work together, and let them know that you are thinking about your survival, and you're working towards it, and that you're a good bet.

Julie Hyman

And then you mentioned inventory, also, for those companies that are not just service based, but are actually selling something. How do you better manage your inventory at a time like this, if it's not going out the door at the same pace as it once was?

Rhonda Abrams

So, first of all, there's a term that I know, which is called just-in-time, and this not a new term, it's been around for at least 30 years, and it's applied usually to manufacturing, which is that you have just the products you need, when you need them, and you're not keeping a warehouse full of products that you're going to put in your manufacturing process, but also, it's having only the products you need when you need them, and it's scary for a lot of businesses, because you feel like you won't be able to fulfill an order, or for small businesses, also, when you do bulk purchases, the price per item can be considerably lower. I have a publishing company, and maybe 15 years ago, we had a consultant who said pay more per unit, per book, not to have your money tied up in inventory sitting in a warehouse, and over the decades that I've done this, over the two decades I've done it, we've been able to do it to right now where there is print on demand, where the price for short runs and printed demand are almost the same price it is as doing large per unit, as doing large runs. So, looking around, talking to suppliers who will work with you, to allow you to have smaller orders, negotiate on price and can get it to you quickly, and that means... remember, every dollar that's sitting in a piece of inventory in your warehouse, it could be a restaurant, where you're sitting with products that you're not yet using. Work with your vendors to see if they can get that stuff to you faster, and bill you only as you use it.

Julie Hyman

Rhonda, something we haven't talked about yet, but which is for many companies amongst the largest cost, is labor costs. If you're not just a one-person business, and you employ other people, and we have seen a lot of companies try and get creative at this time, particularly on the large end that when they might ask their staff to take a pay cut, for example, but still stay employed. Is that something that small businesses can do? Do they have that same sort of flexibility and leverage to be able to save when it comes to labor costs?

Rhonda Abrams

More than ever, Julie. So, when you think of just-in-time, you can also think of just-in-time people. Now, I'm a big believer in having a small business having the key personnel that you need, treat them well, pay them well, give them benefits, because for a small business, your people are your business, but there are so many other things that you can do where you are using people just when you need them. A lot of the people who work for me are either short term or long term, as I need them, graphic designers, as I need the marketers, as I need the, well, web developers and there's more and more websites like Upwork, or other kinds of websites, where you can hire people by the hour as you need them for specific things, and so looking at those kinds of things where you are hiring people just as you need them is more flexible than ever for small businesses.

And one thing, though, over time, I have just-in-time consultants, independent consultants, who've worked for me for 10 years. So, they're part of my team, I treat them as part of my team. They're part of our staff meetings, we're working with them. So, paying that hour for them to be in on my staff meeting, make them part of my team, even though they're not on my payroll, really does allow me to create a much bigger company without that kind of overhead expense.

Julie Hyman

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Yes, that makes sense. What about things that you shouldn't cut, or that you need to be more careful about holding onto?

Julie Hyman

Well, that's very thoughtful. So, in this time, I think it's tempting to think you need to cut everything, but there are a few things that you need to make sure that you're not cutting. First and foremost, right now, if you're in a customer facing business, or if you have employees in a location, you have to deal with sanitation and healthcare, and that is really new expenses, and some of the government's going to require you to do some, customers are going to require you to so that they feel comfortable, and you definitely... I go to websites, and I see what companies are doing to make sure that their place is clean and sanitary, that's on customers' minds, so that might be something that you actually have to spend more money on, and that's burdensome, but that's a cost of doing business right now.

The second thing, and this we've seen... I've gone through three recessions, and here's a really important hint. Companies that do not cut their marketing, and often increase their marketing in downturns, increase market share. So, one thing to be careful about cutting is effective marketing. Now, you might be changing the way you're doing your marketing, you might be switching to social media marketing, instead of being in the newspaper. You might be doing a radio ad instead of doing some other kind of marketing in your local, some other kinds of things. You might be getting together with other small businesses in your community, and putting on a shop local day, or putting out an ad in your hyperlocal newspaper together to say support our community, but stepping up your marketing right now can be a very smart move, because a lot of your competitors may actually be gone, or they're scared, and they're not doing what they need to do.

Julie Hyman

That reminds me of another question I have for you, which is, sometimes you have to think about spending in the short term for cutting in the long term. In other words, if you're going to do something like go paperless, for example, or move things to the cloud, like you mentioned earlier, there might be an upfront increase in costs, but over the long term, it might decrease. What are some other examples of that that people should think about doing, and is it worth it to do that right now, or do you have to focus more on that cash preservation?

Rhonda Abrams

Well, I definitely think that there are some cloud-based things and some technology things that now people need to do. Right now also, a lot of companies are pivoting, and you need to be investing in those things that are going to enable you to pivot, and it might turn out to be an income stream for you for the long term. I mean, I live in a downtown area where I see restaurants putting in what they call parklets, these very nice outdoor eating areas, and I'm in California, so 10 months of the year, people are going to be able to eat out there, and I can see that some are investing more money to make it a really inviting place to be, and that's going to probably last. I looked at friends and said, let's go there, because they've created an inviting environment there.

We... right now in my business, I'm investing in pivoting. This is the first time we've ever really done an e-book. When we were doing *It's hit the fan... Now What?!*, this is the first time we've gone to market with an e-book, and we're investing in some social media marketing, doing other kinds of things that we've never done before. That kind of pivot, takeout that restaurants haven't done before, delivery that some local merchants haven't done before, events where they might have some different kinds of appointment, appointment scheduling.

And one thing I would tell almost everybody who has any kind of product or service business is invest in finding a way to have a point-of-sale service so that people can buy gift cards online for your business, because that's money now. Every time I go to... I shop local, I shop small, even when I'm doing it online, and I look for gift cards, and I'm always frustrated when a local business does not enable me to do that.

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Yes, that's been a big push, particularly at the beginning of the pandemic when restaurants were shut, they were encouraging customers to buy gift cards to use later, at least a cash flow happening at the businesses. So, when we talk about going to the cloud or going paperless, of course, we're also talking about, in some cases, cutting environment waste. Are there any other examples where, by getting greener, you can also save yourself some money?

Rhonda Abrams

It's really important, because waste and here I want people to have a mind shift, always think of waste as something you've spent money on that you did not use. Whatever it is. It could be packaging. It could be extra inventory. It could be lights on at night. It could be your printer plugged in so it's on all the time. Every dollar you spend on something that you did not use, which the term is for waste, is a dollar that you didn't have to keep you in business.

So, shifting your mind-set from the idea that saving on waste is an environment thing, which it is, but more importantly it's just wasting your money. So, I think every single thing you do... I just did takeout last night from a local restaurant, they packaged, they put napkins in there, they put plastic things in there that I don't need, and they didn't ask me. That was a waste. That was money they spent that none of us used.

So, thinking about every single thing you touch in your business and say, is this going to be used? And if not, cutting it out. I think a lot of packaging... buying products they don't sell, buying printed materials that don't... marketing materials, sending things out that nobody is going to open, all of those kinds of things, every single one of them is a dollar figure attached.

Julie Hyman

I'm not a fan of the plastic forks in the takeout, especially since usually I'm eating it at home and you have your own stuff, so that's a great one to think about. What else are we missing here in terms of things that people might not be thinking of that are ways for them to save money and keep it in the business?

Rhonda Abrams

So, I think the most important thing is to think of money as a tool. I think particularly for small businesses, money is really charged, we have our own psychological issues with it, and something when you own your own business or you're self-employed, every dollar is a choice between something that... is it my kids soccer camp or is it another marketing thing? Is it a trip? Is it something for my kitchen? Is it buying an updated barbecue versus whatever? So, money is more charged for people who run their own business than it is for a big corporation and when you're spending it, a budget is different.

So, I think the important thing is to think of it as tools. How will I put this dollar to work? And so, as you deal with it and think about it, stepping back from the psychological issues that happen to it, setting aside and saying, how will I take care of my family, and my future, which is a really important part of the conversation, and how can I take care of my business, which keeps my family... and future is really a critical discussion to have as you think about everything you spend.

I say that because we get so wrapped up in the day-to-day business that we don't think of the big picture for money. But right now, what I think everyone needs to be doing is stepping back and saying, how can I keep every dollar that I can. The term we use is Lean, starting lean... we talked a lot about starting lean, but also staying lean. When you're lean, you're flexible, you can move, you're agile. Right now is the time when every business needs to be re-examining almost everything they're doing, the people they employ, where they work, how they work, how they get their product to market or service to market. And it seems burdensome, but it's also an opportunity, it's an opportunity to be more efficient and also to reach new customers. Think about both of those kinds of ways that... if you're not in the cloud, it's a time to be in the cloud, infrastructure keeps you from being lean and flexible, and so thinking about ways to deal with every dollar that you have.

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Julie Hyman

That sounds great. Rhonda Abrams is a small business expert, the author of the new book *It's Hit the Fan*. Rhonda, we should mention too that you're giving away – you mentioned it's an eBook for the first time and you're giving away, what, 500 copies.

Rhonda Abrams

Well, it's not me that's giving it away, it's Verizon that is very graciously giving the first 500 live attendees to this webinar will get a free eBook of *It's Hit the Fan... Now What? 99 Recession-Proof Tips for Small Business Success*. There will be in this website a link to where to go on how to get it, and a promo code. The promo code is “Verizon” and if they put it in and they can get a free instant download that they can use on Kindle or any other kind of eBook reader that they have and we just want to help every single small business come through this and come through it both in surviving and thriving and growing.

Julie Hyman

To that end, we are now going to take some questions.

Rhonda Abrams

Perfect.

Julie Hyman

So, indeed, here we are and indeed we're going to take some questions, Rhonda. And I think we should start with... we talked about the biggest cost centers for most businesses, one of them being labor, the other one being rent or your leased real estate of any kind. So, I wanted to begin our Q&A portion by asking, what are the criteria that you should use when you're deciding whether to give up that space, whether it's an office or a retail space or whatever it is that you're renting.

Rhonda Abrams

A really good question, Julie. First of all, I think it also depends on the nature of the business that you have and what that space is doing. If you're a retailer or a restaurant, your location may determine whether or not you are successful, so it's much harder to move from a retail space or a restaurant space than it is from an office space where, especially an office where people don't visit you often, don't come to you.

So, the first question is how critical is this space to my business success, and what's going on in that neighborhood? Unfortunately, in a number of neighborhoods, things have really sort of started to hollow out because of COVID, the response to COVID, so you have to look around and say is this still a vital area. The second thing you have to look at is am I legally tied into this space. Do I have a lease that I cannot get out of? That is a question.

Now, I have to just tell you my own experience. I have been in an office, my company was in the same office for 10 years, we always paid our rent on time, I loved the office space, was not thinking of leaving it, but my lease happened to be up in March, at the end of March of this year, talk about fortuitous planning and the landlord was terrible. They wanted to renegotiate, they wanted to raise my rent right at a time when literally I couldn't even use the space, and I just said, can you give me three months until the smokes lifted so we can see what this is, and they wouldn't deal with it. So, that made the decision easier for me. We found we were working well and even though I loved the space, we didn't have anyone coming to the space other than our team, so we gave that up.

So, if you're at a moment when your lease is up, that's a moment that you can make that decision, especially if you're not a restaurant or a retailer where it depends on it, or where you haven't got a lot of infrastructure in it, if you're a manufacturing company that you've put into a lot.

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There's also something, Julie, that I think a lot of people don't know. For small businesses, almost everything you do you have to sign a personal guarantee. Leases have been the only thing where I haven't had to sign a personal guarantee. I've had three different office leases, I've never had to sign one, and that gives you a little more flexibility, not that you should try to get out of it, but if you haven't, you have a little more flexibility. So, that's one of the things I would look at in saying, am I tied into this? What's the legal repercussions if I do this? I would also say before you give up your space, if the issue is money, first, as we talked about, maybe now is the time to renegotiate that and see if you can renegotiate that.

Julie Hyman

I should just remind people, we are getting some questions coming in, but just remind people to look at the email that you got back when you registered for this, it will give you instructions on how to ask questions if you don't remember how to do so.

It's interesting, you were just talking about personal guarantees, because indeed someone asked a question about that, about what are your thoughts when you're renegotiating to ask for no personal guarantees, and also maybe request new language to support mandated Government shutdowns. We don't know if this is going to happen again, right. We are seeing it in New York City now that there are schools that are being re-shut down because they're seeing a spike in cases there. So, what are the clauses like this if people are negotiating a new lease or renegotiating an existing lease that they should be looking to do.

Rhonda Abrams

Well, right now is a buyer's market for space. Commercial space, I think, we're going to see huge vacancies, I see it all over, retail, office space, whatever, so you're in a better negotiating position than you've ever been in. Keep in mind that after the immediate problem of COVID clears up, there are flexible workspace like WeWork and more of those kinds of places, so you have more options, especially if you're in an office kind of situation. Don't feel like you're as compelled to enter into that lease as you might have, five years ago, when you had that lease.

I think in looking at some of the terms, if you can get away without a personal guarantee, that's the first thing, because then you have a lot more flexibility. The second thing is shorter lease terms or the ability to get out of the lease if certain conditions happen, as you said, like a shutdown or whether the economy has gone down or other kinds of situation. So, that kind of negotiation is more able for you right now. I think short-term, where you can actually negotiate what the price would be long-term, but your ability to get out of that lease at certain periods is a great thing to ask for now. You will find landlords more willing than they used to be.

Julie Hyman

Yes, sometimes by necessity. So, someone also asked about when you're renegotiating your rents, are there Federal or local programs that offer grants for assistance, specifically, when it comes to rent. I know that that was something that was included in the PPP, for example, that that was one of the things that you could use that money for. Are there any other programs that people should be aware of that help with that?

Rhonda Abrams

I think you should be looking at local assistance. Right now, as we're talking today, PPP you can no longer apply for, other kinds of things have stopped, Congress is not even discussing the next... the Senate isn't even discussing the next round of help. So, really look at what's local, city, state, county to see if there's any kind of assistance there and also find out if there's any kind of restrictions on commercial evictions. There was discussion by the CDC of making commercial evictions not allowed, I don't remember if that's gone through, I don't think so. I think some local and state areas are looking at that as well.

Julie Hyman

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Someone wrote in, John from Philly actually, he told us who he was, which I always like, he wrote just-in-time people, that concept of just-in-time people, he says it's a nice idea, but it doesn't always work for everyone, for every small business. So, he says, for that reason, shouldn't we eliminate as many employees as possible and move to as many independent contractors as you are permitted by law. Is that a way to approach that?

Rhonda Abrams

That's sort of what I was talking about with just-in-time people, is to have independent contractors, but it depends on the nature of the work, and the nature of the law too. You have to meet the legal requirements for independent contractors, and you do not want to break those laws, those penalties are very high. Also, it's just sort of wrong as well. I think small businesspeople have a sense of their own ethics and morality, so you want to do what's right.

So, for instance, a part-time worker in your retail shop who is there serving customers, that isn't really an independent contractor. A graphic designer or a marketing consultant, a person who is helping you do various – direct mail, those kinds of things can be independent contractors, so you want to be as lean as possible with your staff and if there are things that you can legally do that you're using independent contractors, John, absolutely.

But the other thing is I've had a couple of independent contractors who I would have loved to turn into full-time employees, so that I could actually make sure I was getting all their attention and they resisted for their own reasons, because of their own children they were taking care of, their own other customers/clients that they wanted. Remember, it's not always the best thing to have independent contractors, especially sometimes people who you would love to have their full attention or be able to say, I would like you here at 10 o'clock on Tuesday, you may not be able to do.

Julie Hyman

It's a good point. Someone also wrote in to ask how you broach the conversation when you're talking to employees about all of this, because it can be an emotional issue, obviously, and it's a tough time for a lot of people.

Rhonda Abrams

What a great question and it's really one of the hardest things. We talk about this in the book *It's Hit the Fan... Now What?* A little bit about how to talk to your team and how to deal with it. Remember, people can get it free, they will get an email from Verizon telling them how to get it free, so there's nothing better than free. But one of the things is it's really hard as a small businessowner, you have to be both upbeat and honest with your employees, with your team. Those often seem contradictory. But I think what you want to do is you want to tell people as much as you need to know that's honest that will help them do their job, but without them feeling that their job is in jeopardy. Because the minute you say that to people, people are really nervous.

So, what you can say is we have a client who is not happy, so we need to work to make them happy. Or, we have a client... we've lost our biggest client, so we're going to have to work harder to restore all of that, but I'm committed here to making that happen.

What I think you have to stop yourself from doing is bringing your fears to your employees. I think you can bring the truth of a situation, but you have to bring your optimism as well to it. And when it is time that you have to cut staff, then you sit down and you're just honest and make it not about them, and as much as you can to find out what kind of help there will be for them both whether it's governmental help in terms of money or getting hired or saying, I am willing to open my contact list and reach out to people to help you find another job. You want to do that as well.

Julie Hyman

What is the difference – and someone asks about furloughing employees – from an employer perspective, what about making that choice between cutting and furloughing. What are the differences in terms of costs or legal ramifications of that?

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I'm not entirely sure about that, so let me just be clear that when I say this, this is my understanding but I'm not a lawyer and I don't know if there's a legal distinction. What I've seen with large corporations is that sometimes the furlough means that they're able to stay on their healthcare and that they're able to stay with some of relationship while they're still getting unemployment, but I don't know all the ins and outs of that. But if, in fact, you feel like it is something... that's one of the things that people do want to do is be able to help their employees stay on healthcare. So, one of the things to look at is does your insurance policy allow you to keep somebody on without them having to go to COBRA if they're furloughed versus if they're laid off.

Julie Hyman

That's what my understanding is too as a non-lawyer, that's my disclaimer also. You talked a lot about negotiating, that everything is negotiable and that you should try to negotiate down costs where you can. Somebody wrote in to ask if you can share one of your experiences doing a negotiation like this, how you approached it, what was the outcome etc. You told us a little bit about what happened with your landlord and that you ended up walking away from that situation. Are there any other examples that you can think of?

Rhonda Abrams

I negotiate prices all the time. A company just came to me recently wanting to do something and they said, can you work with us at all? One of the things to do is to ask – when somebody doesn't want to pay your price... we're going to be having another webinar with Verizon about pricing, so we will go into more of this in more detail, but one of the things to do is to say, what's your budget? Because what often happens is you start negotiating against yourself. You put out a price there. They say that's too high. You have to now come back with it. The answer is what are you going to offer me next, so we have a baseline. In a negotiation, you should have an idea of what you're willing to take to have that kind of information.

I think the goal with a negotiation is to understand, as you go into it, is what is the outcome you most care about. Do you most... in this particular case, the company that reached to me, it was like, I don't care if I have that job or not, so I can be very firm with the number. With other kinds of things, it might be what I really want to do is have this work out so there's more flexibility. You would be surprised at how often we don't know what our goal is, we just get into this negotiation, we're into it, but we don't know what we want.

I have a saying, if you come to the next webinar, I'm sure you will hear me say it again. My saying is, Settle for Victory. By what I mean Settle for Victory is don't get something in your mind that... heres a number I have to have, or I have to win, I have to beat the other guy. One of the biggest negotiations that I was ever in, in my life, that helped change my life was a situation where I was really wronged by someone and I ended up paying them, even though they had wronged me, but I got what I wanted out of it. I got some rights to something that I wanted and that was my victory, and it proved to be tremendously right kind of stuff. He walked away thinking he won, because I paid him. I knew I won because I got what I wanted. So, I had my own victory.

So, I think in a negotiation, the thing is what's the outcome you really want. Do I want to do business with this person? do I want to be able to have that space? Do I want to be able to buy that product? Do I want to have that job? Or do I just really need to make as much money as I can from this, and if it doesn't make the money that I want, I don't need this job, I don't need that space, I don't need this product. So, knowing your own goal, which is often hard is the first part of negotiation.

Julie Hyman

That's really interesting. Someone asks about trade shows. Do you think trade shows will ever become cost effective again? Will attendees come back?

Rhonda Abrams

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Well, first of all, I miss trade shows, can I say. I may be the only person who misses trade shows, but we got a lot of our customers from trade shows, and this year we are down in our sales because there were virtual trade shows instead of real trade shows. So, from an exhibitor's point of view, from a sponsor's point of view, trade shows work for us, they were cost efficient for us in my business. We went to a few trade shows a year, we met a lot of customers who were ready to buy, interested in our products, and I built my business on trade shows. It's a major part of my business, so I sure hope they come back.

And I think a lot of it will come back. I think it may take a little while, but a lot of trade shows people go to as attendees to work on their careers, to find new jobs, to network with people, to have fun, to get out of the office, to learn new things, so I think trade shows will come back and I'm pulling for them, because I'm a big believer for certain small business that trade shows are a very, very cost efficient way to make sales.

Julie Hyman

Maybe we should move them outside and do them in beautiful places, there you go.

Rhonda Abrams

I'm ready.

[All talking]

Julie Hyman

There you go. We have another pricing question too, which again is sort of a teaser to the webinar that you're doing next, but I think it's also pertinent to this discussion, which is do you recommend discounting your product or service to generate more cash in hand?

Rhonda Abrams

Yes, and how you discount it is critical. First of all... and we're really going to go a lot over this more in details, so please do join the webinar on pricing that's coming up in November. First of all, in terms of pricing, there's all kinds of ways to do discounts that are not permanently discounting your product. There's introductory pricing. There's special pricing for bulk pricing. There's all different kinds of ways to structure pricing where people are paying you less, but you haven't lowered the price. So, we discount all the time. I discount to people... we're in a publishing industry, publishing – this is something most people don't know – books are returnable by the retailers and by the universities that buy them and all, so we discount for non-returnable, because they're something that helps us to know the sale is a sale. We discount for bulk purchases. We discount for sometimes introductory prices. You're definitely going to discount. Right now, you're probably doing all kinds of discounts and there's other ways to do a discount too, which is buy 10 get the 11th free, or buy nine get the 10th free. Discounting is a part of doing business. It's how you structure it, so you don't necessarily permanently lower your price.

Julie Hyman

Discount with devalue, it's a tricky balance. I think we are starting to wind down here, but John from Philly has piped up again with another question, and this is a bit of a personal question for you, but I think it's an interesting one. John wants to know, as an author, do you still believe that authors can make a living through writing books anymore, because we're seeing that industry change. Amazon, other clearing houses are not paying as much, people are buying eBooks. I would broaden it out to not try and put you so much on the spot, but we're obviously seeing a lot of industries experience a lot of profound structural change right now, and so I guess we can also ask, as a small businessperson, the challenge of adapting is especially acute right now.

Rhonda Abrams

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Really insightful, Julie. I think what you've just said has hit the nail on the head. John, first of all, authors hardly ever made money. Let's be clear, the percentage of authors, especially book authors who made money even before self-publishing, even before the internet was relatively small. I'm fortunate to be in that small percentage who has actually been able to make quite a nice living from my books. But that's unusual, it was unusual before, it's unusual now.

I think what Julie has said is really the more important thing. I think it's a good place to end on for this as well, small businesses have to be willing to adapt and change. You have to be agile. You have to be flexible. Years ago, I went into a plumbing fixture store, and it was a small business, and I was going to buy something, and they said, well, there's a 20% restocking fee if you return it. I thought, well, I can go down the street to the big home warehouse and not have that, and I thought, you're never going to exist without changing your rules, and they don't exist anymore. You have to sometimes figure out, how am I going to survive in the new world? What am I going to need to do? And the new world hit us in the face in 2020, but whatever it is... and your job, whether you make chocolate chip cookies or whether you make silicon chip wafers is to be able to understand how the world is going to change, and you don't have to be an early adapter, but you have to change. That's how an author is going to make money, that's going to be how anyone else is going to make money. I don't know what kind of business you're in, John, but you have to be willing to change.

Julie Hyman

Yes, most definitely. Well, Rhonda, thank you so much. It's been a pleasure spending time with you and hearing about your words of wisdom for small businesspeople. Again, as Rhonda mentioned, you can get a copy of her eBook if you're one of the folks to sign up for this webinar, and you can also – I should remind people – you can re-watch this webinar. There will be a recording that will be available afterwards. I believe you can also find Rhonda at www.rhondaabrams.com, if I am not mistaken.

Rhonda Abrams

Let's go to www.planningshop.com, that's my business, so I always send people to my business.

Julie Hyman

There we go. There are various ways to re-watch this or get more insight from Rhonda and you can also, of course, sign up for that next webinar that we have been alluding to.

Thank you so much. Really appreciate it.

Rhonda Abrams

Julie, thank you and I want to thank Verizon for their commitment to small businesses, doing this, it's just great. Thank you so much. It's been great to get to know you.

Julie Hyman

Same to you.

Andy Choi

And that's it for today's webinar. I want to thank Rhonda and Julie for all of their insights for our small businesses. We really appreciate you joining us today. Watch your email inbox that you used to register with BrightTALK, we will be sending out the special link and code for a free download of Rhonda's new eBook *Now What?* to the first 500 attendees. How about that? You can catch up on all of our past webinars, of course, on-demand on the Verizon BrightTALK channel page or at www.verizon.com/webinars. Don't miss our next webinar, that's happening 13 October, we will be here with Dr Sabrina Starling to discuss how your small business can adopt a new growth mind-set and strategy even with today's challenges. So, we look forward to seeing you all again for our events in our Small Business Webinar Series.

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Thanks for joining us today. Have a good one.