

Six tips for business owners who want to take advantage of strong economy

By CHLOÉ MORRISON - Published on August 21, 2018



Founder of Oaklyn Consulting Frank Williamson advises lower and middle market businesses on an array of topics, such as corporate finance, capital raising and exit strategies. (Photo: Contributed)

One local expert said the economy is strong and business owners can take advantage of that and grow their companies if they know the steps to take.

Chattanooga-based [Oaklyn Consulting](#) advises clients about a range of business issues, including corporate finance, mergers, acquisitions and capital raising.

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Founder Frank Williamson has an MBA from Harvard and has handled countless mergers and acquisitions. Consultants at his company work not as brokers but as counselors to clients.

Williamson has six tips for local business owners who are looking to maximize investments, capitalize on the current economic climate and make sound business decisions.

Grow your company now.

Williamson said the economy is strong and now is the time to focus on sales and taking a strategic approach to pricing.

Forward-thinking business owners should realize that during a strong economy, there's a prime opportunity to consider increasing prices in a "thoughtful way," he said.

"In today's economic climate, consumers aren't watching their pennies quite as much," he said. "It's much smarter to build a modest pricing cushion while times are good than to be fighting for it when things are bad."

Think about the big picture.

When things are going well, business owners should think beyond closing the next deal, he said.

Business owners should think about what kind of growth makes sense for the company and envision the steps to take to get to that place. That may mean taking steps to build strategic relationships that could result in a future sale or acquisition.

"If you want your destiny in your own hands, you have to look beyond the here and now and visualize what can be bigger," he said.

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Be prepared for the unexpected.

A lot can go wrong in business. A company could lose a big client or a top-performing employee, for example.

Business owners should think about the possibilities to avoid being blindsided.

“Yes, life is unpredictable, and you can’t fully plan for every little thing,” he said. “However, you can think through a few possible scenarios to assess your resiliency. Make a checklist and rank the scenarios by high, medium or low probability, then ask yourself how you would respond to each.”

Talk to your accountant about new tax law.

President Donald Trump’s new tax bill means there will be changes when businesses file tax information.

“If there is a year to think about taxes and how they might change for your business or aspects of your operation, this is the year,” he said.

Understand there is capital available and know what that means. Williamson said that there is probably more money available than there are good companies to invest in.

That means that a company looking for capital should make a clear and strong case for how the money will be used and how it will be paid back, if applicable.

“Every investor needs to have confidence they will get their money back, with a return,” he said. “Lenders and investors are naturally skeptical. Most have been entrusted with other people’s money to invest, and they will not be reckless with their decisions.”

It also means that business owners should shop around because they know about the

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market for bank loans and private company investments until they ask, Williamson said.

“It is unpredictable exactly who will be interested in exactly what at exactly what time,” he also said. “The answer will be based partly on your situation and partly on the other options people have at hand.”

Be prepared when meeting with an investor or lender.

Have a plan about how to pay back the money. Acknowledge the risks. Explain what the future of the business looks like when cash flow is strong and show evidence of that.

Tell a story that makes sense, he said.

“Answer their questions fully, promptly and with sufficient context to support the story,” Williamson said.