

The next 12 months are going to be very tough for many small businesses as they adjust to a slowing economy. Here are some simple tips to help you survive a likely deep recession:

Increase your cashflow. Bill early and bill often. Set up automatic late payment reminders. Send out payments as soon as the project is completed. Track your time to ensure you are fairly compensated.

Reduce power bills. Consider alternative heating and electricity plans. Do an energy audit – consider other utility providers. Turn off lights and computers at night.

Charge an upfront retainer fee to ensure you get paid. Requesting a retainer fee upfront provides a cushion while you are working on another job.

Look at your phone/ Internet plan. Can you do better? There are dozens of different phone plans these days, with discounts and off-peak savings. Do an audit of your phone and internet usage and find out what plans best fits your business' needs.

Review your prices. When was the last time you increased your prices? With inflation, ensure that rising costs are factored into your prices.

Review your business location. Could you find a cheaper work location? You may have been in the same location for 10 years, but does it still make economic sense to remain. Moving further out into the suburbs could save you thousands of pounds in rent. The declining property market may also open up 'hot deals'.

Review transport costs. Is it time to trade in your old van for a more fuel efficient model? Do you need to visit clients or could you set up a phone conference or have them visit you? Use public transport where possible, rather than taking a taxi.

Review marketing and advertising strategy. Whatever you do, do not stop marketing altogether. Could you better reach your customer base by email rather than mail drop? Does that classified ad in the local newspaper need to be in full colour?