

Survival Tips for a Difficult Economy

**for the rental
industry**



PRINCETON CYBERNETICS, INC.
1-609-924-7114
WWW.RENTCONTROL.BIZ

The standard advice in a depressed economy is: tighten the belt, pay down the bills, salt away cash and keep investing for the next upturn of the economic cycle.

For your **personal finances**, that's good advice. Not so great as a business plan—except for the keep investing part.

When there's less money out there, fewer people able or willing to purchase or rent, the last thing you want to do is become an armadillo and contract into a ball. Instead, you need to become more aggressive, to actively seek out those still renting and purchasing while spending as little money as possible to do so. It requires some creativity (which is why it's called *guerilla marketing*), but it can be done.



Continue to advertise and market. If necessary, change the venues and methods you now use. If you've formerly relied on newspapers or local radio, look for lower-priced alternatives or negotiate for lower rates. Ad rates will be softening as well, so even if you continue to rely on fairly expensive media, less advertising competition gives you greater visibility. Small, local newspapers (especially the kind given away free at places like supermarkets) are read by enough people to justify an ad, especially since such media often charge rock-bottom prices. Consider putting up signs all over your local area, especially along well-traveled roads. If you know you need a Yellow Pages ad, at least try to negotiate a better rate. Continue to offer coupons and discounts. But don't stop advertising!

Reach out in person. Nothing succeeds like the personal touch. Spend time calling your regular customers, expressing sympathy if they are in financial trouble, and offering to help, perhaps by giving them a special deal or discount. Seek out new business, whether you cold call, advertise or join local organizations that put business people together. If a competitor goes out of business, offer to buy his client list. Above all, don't sit back and wait for renters to find you.



Reach out electronically. If you don't have a website, get one! It's one of the least expensive and most effective ways of marketing. It shows off your store, touts your rental policies, and reinforces your credentials. It displays your inventory and your prices. It lets people comparison shop without pressure, yet leaves an indelible impression. RentControl now includes the ability to upload your inventory automatically for display on your website, and can even take orders over your website. More importantly, RentControl's web-based facilities let you keep your website current and operational without having to know any web-based technologies.

And don't forget to use your website to gather names, addresses and email addresses. If necessary, offer an incentive to leave contact information. The more contacts you have, the greater your chance of reaching those with rental needs.

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Reach out by mail. Postcard campaigns are relatively inexpensive, especially if well targeted. RentControl can, for instance, produce a mailing list, even letting you target customers you haven't seen in a while. Sometimes just reminding people that you're still around and pointing out the value of renting rather than buying is enough to get someone thinking.

Improve productivity and cut costs. Yes, it's a business mantra, but it becomes even more urgent in bad economic times. Examine your operation closely. Can you save money by doing something differently? For example, if your staff is still writing orders by hand, good rental software like RentControl will dramatically improve their productivity and accuracy. Not to mention the time you'll save preparing tax, insurance and inventory reports. RentControl also provides a variety of usage reports making it easy to find out which items are popular and how much you've made renting them so you can concentrate on the items people want.

Are you leasing equipment like computers or office machines? A recession is a good time to find great deals on nearly new furniture, copiers, fax machines, computers, and office fixtures. Often such items will sell for a fraction of what they cost. Long term, it can be cheaper to own the things you need rather than leasing them, especially if you can buy such items very cheaply.

If you've been thinking of moving, this would be the time. The real estate market is slowing in most regions of the country, which allows for small businesses to get retail, office, and warehouse space at reduced costs. It's also easier to negotiate for landlord build-outs, signage, and parking. You might find that a move will actually save you money each month.

Don't lose any rental opportunities. RentControl makes it easy to find out immediately whether you have what the customer wants. If there are none currently in inventory, are there some out on rental? When are they coming back? Can you provide what is needed by outsourcing (sub-renting)? All of this information is immediately accessible if you have good rental software like RentControl. After all, the one thing you DO NOT want to do is turn down a rental opportunity because you aren't sure you can fulfill it.

Manage your receivables. Rental pricing can be complicated and can include a variety of auxiliary charges: insurance, damage waivers, fuel charges, meter charges, late charges, etc. Because RentControl automatically calculates all the costs connected with a rental, you won't accidentally forget to charge for something or by mistake charge a wrong price.

Get all the money you are entitled to. RentControl also helps you manage your cash flow by producing invoices automatically, recording payments, generating statements, and applying interest on overdue accounts.



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*If life gives you lemons,
find someone to whom life
gave vodka and form a
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Be creative. It's a variation on the "if life gives you lemons" adage. If you have high-cost tools that aren't selling, consider renting some of them or implementing rent-to-own. Hand out flyers in front of a big-box store pointing out the advantage to renting rather than buying. Take tables at flea markets to sell outdated equipment, at the same time handing out business cards and special offers.

If a competitor goes out of business, consider opening another branch in his location, perhaps even taking over his store and his inventory. In a downward economy, a grand opening is bound to attract more media and other attention than it would otherwise, especially since grand openings mean discounts, freebies and other incentives for shoppers. If you don't feel comfortable opening a branch, at least realize that your competitor may not have had enough customers, but he had some. Find a way to make them yours.

Explore Partnership Marketing. If you rent party supplies or tents, make a deal with a baker to offer cakes or pastries at a discount in conjunction with the rental. Or make arrangements with a DJ or a renter of bounces for children's parties. The opportunity to get multiple different items for a discounted rate can make renting from you more appealing.

Canvass owners in companion markets (like the aforementioned bakers or party personnel) and give them an incentive to recommend you to a customer. If you rent AV equipment, make deals with hotels, convention centers, and other venues that host business meetings.

And don't forget to negotiate with your suppliers. The entire economy is in bad shape, not merely you. Your suppliers know that and may very well be willing to offer you discounts or credit rather than lose your business, so take advantage of this.

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