

MAXIMUM...

July 6, 2010 – Issue 62

MAXFACT #55

"I learned to embrace risk, as long as it was well thought out and, in a worst-case scenario, I'd still land on my feet."

– Eli Broad

We cannot predict all that will happen. That's where the term "risk" comes into play. But what we can and must do in business is take calculated risks. That simply means that you do your research, talk to your peers, customers, and other key stakeholders, then apply solid common sense. The end result should be the avoidance of recklessness and stagnation...both of which are disastrous to businesses.

Ponder This...

Do we have a firm grasp of how we will properly grow our company?

FISCAL MANAGEMENT



The economy is cyclical...so our businesses are too.

There are many lessons to learn from a downturn. Among them is fiscal management.

"Cash is King" has always been the mantra of business operation. When things are going well, we sometimes lose sight of this streetwise principle. In turn, we start acquiring merchandise, equipment, land, inventory, and perhaps complementary businesses. We reduce cash, decrease liquidity, and create fiscal obligations.

In short, over-extending your business during the good times can be a recipe for disaster when the downturn occurs. Unfortunately, many of those examples exist in today's marketplace.

Use the recent events to **recalibrate your thinking when it comes to reinvesting in your company and creating long-term debt.** Be fiscally smart.

Please share this Memo with a friend.

MAXIMUM
Business Consulting, LLC
a mentor capital firm

If you have questions or comments about today's **Fiscal Management** message, please contact us at...
www.maximumbizconsult.com
(717) 755-5419