

Five to Four

Save money in slow times by going to a four-day workweek.

When business slows and you need to cut expenses, one option is to reduce staffing hours. Instead of doing this by laying off employees, consider instituting a four-day workweek with standard eight-hour days. Reducing wages and FICA by 20% can be just the medicine to help get your company through tough times.

Even though your employees probably know that business is slow, call a meeting to explain the downturn in revenue. Let them know that a four-day workweek is the best way to keep the company going during this slow time, allowing you to spread the burden rather than lose good people.

Emphasize that there will be no reduction in benefits, sick days, or personal days. If an employee needs the weekly salary they have been earning, he or she could use a personal day or vacation time for



the fifth day. They can do this until these days run out, and it may be that the company is back to a normal workweek before that time comes.

You can also suggest that employees take on outside work on that fifth day.

To show your understanding of the situation and to cut additional expenses, consider reducing your salary by 20%.

During the two weeks before the change to a four-day workweek,

meet with small groups of employees to review the situation and to solicit comments and suggestions. After the switch to the shorter week, keep staff informed of any changes you're implementing in the company's sales and marketing practices to address the slow-down. —Howard Scott is a business writer and small-business tax preparer in Pembroke, Mass.

Price Binder

Past project pricing helps this remodeler pre-qualify clients.

A common practice at DreamMaker Bath & Kitchen franchises is to post pricing on three bath displays to show the elements of a basic, a midrange, and a high-end bath remodel. Franchise owner Jim Bodner says that the priced displays work so well for bathrooms that he thought he would try something similar with kitchen remodels at his Bethel, Conn., DreamMaker Bath & Kitchen showroom.

However, because kitchens are more complicated, Bodner didn't have three price points or templates for the kitchen remodels. So instead he created a binder of before and after photos of past projects

and included the contract price for each of the jobs.

"If a client describes the size of their kitchen or their style, I can say, 'This sounds like the Jones job we did last year,' and I'll show them the photos in the binder and the contract price of the job," Bodner says.

STARTING POINT

Bodner's showroom is located in a high-profile retail area, so the remodeler gets a lot of walk-in traffic. Having a binder of past projects with their respective prices quickly lets visitors know whether or not their expectations are realistic,

which, in turn, helps Bodner pre-qualify homeowners. (This is especially helpful with those visitors who are not willing to share their budget.)

Once they are pre-qualified, walk-in clients can set up a formal appointment.

When the process starts, Bodner uses the sample projects as a base from which to begin the design and to make material selections. The pricing in the binder is not itemized, which helps prevent clients from negotiating material changes or upgrades. If clients ask about purchasing products, Bodner points out that he is selling both the product and installation and that he warrants his company's work. —N.P.