

# MEAT&POULTRY

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PARK RIDGE, ILL. – Restoring confidence among small-business owners in the U.S., who along with very small businesses make up the majority of the U.S. meat and poultry industry, won't be easy for President-elect Barack Obama, whose economic agenda reportedly aims to help the 27 million small-business owners in this country. Although a new survey by the George S. May International management consulting firm indicates most small business owners feel credit relief is critical to their survival, 60.2% don't think it will come in time.

The top-three expectations from the new administration are credit relief (35.1%), affordable healthcare for employees (32.6%) and tax rebates or incentives (32.3%), according to the poll of 750 small-business owners throughout the U.S.

"Business owners are not as worried about a tax increase as much as they fear a lack of relief," said Israel Kushnir, president of George S. May International. "No matter if it is credit and financing or taxes and healthcare, it's important for small-business owners to look at every aspect of their business and identify cost drivers and not wait until the government steps in to provide assistance."

More than 53% of respondents believe healthcare costs will rise in 2009, while 29.6% said healthcare costs will stay the same, and 16.7% believe costs will decrease.

"The current economic challenges are at the forefront of the minds of small business owners across all industries, and the meat and poultry industry is not exempt from this," Paul Rauseo, managing director, told *MEATPOULTRY.com*. "It's important to remember that even during this financial climate, there are people making money. Planning for profit is key."

The meat and poultry industry often spends time focusing on the short-term outlook and market situation, but regular inventory and price forecasts (quarterly and annually) are important for business, he added. "Small and medium-sized business owners need to work with a planned profit model -- Revenue – Profit = Expenses," he said

This equation is a basic assessment of the three major components of any business: expenses, revenues and what's left over (profit), Mr. Rauseo continued. In the past, this model placed profit as the outcome number, and many times it is negative or lower than expected. With profit as a fixed input variable, the amount is decided on and controlled in advance.

"Too many businesses use an old model, with profit as the result, and don't realize how much money they have generated [or lost] until the accounting period ends," he said. "The model is simple, but it can be the critical factor in whether or not a business is profitable."