

Plain Talk

If There's Profit in Ice Cream—Sell It!

COLUMN BY ROB BUKSAR

Do you even go through periods when it seems like everything you touch or are involved with melts down? I recently had a period like this that ran



from December 22 through January 12. During this period my calamities required a number of professional services. I'll list them and you'll appreciate my pain: doctor, dentist, auto mechanic, gunsmith, electrician, septic tank service, towing company, and accountant.

I know that's a whole lot of service in a short period of time but unfortunately for me that's how it shook out. I'm sure a lot of you out there can relate. It was all unavoidable and since there was so much of it in a short period it was painfully expensive.

Without exception all the folks I hired were small businesspeople just like you and me. There were no large corporations involved. As a rule, I seek out small businesses to spend my money with. I avoid large corporations whenever possible. I enjoy doing business with people who deeply appreciate the money I'm sending their way. I'm not sure if this route saves me any cash, although it has won me a whole bunch of helpful resources and allies always willing to help if the need arises.

None of us enjoy parting with our hard earned cash if we can help it—especially to remedy calamity we can't fix ourselves. Except for the auto mechanic and electrician I didn't require any more than 30 minutes of anyone's service. Yet depending on who it was I paid a minimum charge that ranged from \$50 to \$150. These prices were not negotiable.

To the uneducated and out of touch these charges might seem to be outrageous considering the short time required to resolve my problems. Yet were they really? Let's face it, in the American marketplace you are not necessarily paying for what the pro does, but paying for what he knows. Furthermore, knowing

all these folks personally I know their prices only seemed high. Taking into account the cost of staying in business these days their prices were reasonable. But like everyone else, I just hated getting up off the money.

Are you serious about staying in business and making a dignified living? My daily experience tells me some are and some are not. If you are still repairing units for \$10, \$15 and \$20 you are not going to make it. It makes no difference that you have no material in the job or you dug the repair part out of the scrap pile. Your cost of doing business dictates that you charge more money regardless of what you don't have in the unit.

2006 has been another year of tragic small business failures and rebuilders just throwing the towel. The manufacturing sector is still losing approximately 45,000 jobs per month. Even though I'm in the trenches I'm not living under a rock. The ballgame has to be different because the market is different. Most that haven't adjusted are history or soon will be. There is no longer the need for as many exclusive electrical rebuilders. The killer demand just isn't what it used to be for lots of reasons.

If you can incorporate drive shafts, clutches, fuel injection, soft serve ice cream, real estate, powder coating or gyros on pita bread, and get a good hourly shop rate you had better consider it. Move toward whatever will pay and not more of what won't. Replacing bearings for \$50 to \$75 makes sense in some cases. Doing it for \$15 is a suicidal activity.

You have to charge for your time just like any other professional does. It's vital you charge enough no matter what you have or don't have in the job. Remember, you're paid for what you know not necessarily for what you do. Don't try to compete with massive warehouse retailers. You don't belong in their ballpark so don't try to play there. If you can't get paid enough for what's in front of you don't do it for nothing. Look for something that will pay out and keep your doors open.

The long and short is simply this (and there are no "ya-buts" on this one): If you are not charging enough for your time and what you know your boat is

going to sink.

Some have thought you can make up for undercharging with volume. It's not true. Know your costs. Seek out work you can charge enough for to cover your costs. Don't be timid about charging a fair price just like any other professional committed to staying in business. Do it right and prosper.

May God bless America and the hard-working, dedicated small businessman.

Rob Buksar is owner of Hoosier Electric Co., Gary, Ind.