



2008 B2B CFO® Annual Client Survey Results from 310 clients

98.1% of the clients surveyed were privately held companies, typically with one to three owners.

	2007	2008 Projected	Increase
Total client sales (billions)	\$2.8	\$3.6	\$0.8
Total employees	13,873	17,119	3,246
Average sales (millions)	\$9.0	\$11.6	28%
Average number of employees	44.8	55.3	23%

The primary concerns for 2008 of the CEOs interviewed:

	Percent		Percent
Time and resources to sustain the sales growth	29%	Controlling costs	6%
Cash to operate and grow	26%	Quality and hiring of employees	4%
The economy	10%	Planning	4%
Improvement to operations, systems, training, etc.	9%	Improving internal technology	2%
Profits	7%	Other	4%
Total		100%	

10% are concerned about the economy

The results of the 2008 survey started hitting the national press in March, 2008. FOX Business News (FBN) was the first news organization to publicly interview us about this survey. A FBN anchor interviewed our CEO on television on March 21, 2008 and commented:

“We sound all depressed about this... a recent survey (by B2B CFO®) shows that despite all the negative news about jobs that some businesses are doing very well.”

We have been explaining to the press and others that it was not a surprise to our firm that our clients were not overly concerned about the economy.

The ups & downs of business cycles

One CEO that participated in the survey was subsequently presented with the news that only 10% of his peers were concerned about the economy. He shook his head about the negativity of the press regarding the economy and rhetorically asked, “What am I supposed to do, bury my head in the sand and ignore the fact that I have customers that are demanding my product?”

Outsiders to our market do not always understand the rugged individualism of CEOs. They do not understand that CEOs realize that there will be ebbs and flows to the economy. Most CEOs have seen recessions before. Many operated their business through the aftermath of 9/11. They are aware that they live in a global economy. They know there are competitors and others that would like to take away their customers and put them out of business.

28% percent in projected growth

We were pleased (but not surprised) about the 28% projected growth in sales in 2008. While this projected increase may seemingly go against other predictions, the increase in sales is typical from a CEO that has good financing and is confident that the company can deliver products and services to its customers. It is also a good indication that relationships with key lenders and other important business infrastructure has been put in place to help with the process of increases in sales. The 23% projected increase in the number of employees is needed to help sustain the projected sales increases.

Time, resources & cash

Almost 55% of the concerns of our clients relate to time, resources and cash. Those are natural concerns of a CEO who is growth-oriented and positive about the future. CEOs understand that a significant increase in sales will cause pressure on precious resources, such as time, cash and employees. Our firm would be worried if our clients were not concerned about cash. A company can never have too much cash. It is prudent to put aside adequate cash to sustain growth and the impacts of a negative economy.

Business opportunities

It is impossible for anyone to predict the future, whether it is going to bring a recession or a boom economy. We have learned that recessions, or other dips in the economy, provide business opportunities for those that are prepared.

Each company within our market has competition. That competition is working each day to take away our customers, employees and good-will. A down-turn in the economy puts a strain upon the working capital of a business. Those that are adequately prepared will have a better opportunity to withstand a negative economy. Conversely, those companies that are not prepared will suffer for the lack of preparation and may go out of business. While that is bad news for some, it is excellent news for CEOs that do a better job preparing for tough times because they will have fewer competitors after the economic downturn is completed. These CEOs make plans to have adequate cash reserves. They surround themselves with key people and professionals that can provide advice during challenging times. They improve their relationships with bankers and lenders before the difficult times hit in order to be prepared.

B2B CFO® is a national firm that provides CFO and consulting services to companies. It serves owners of emerging and mid-market companies with revenues up to \$75 million who want to increase cash, profitability, sales and company value. Each of the firm's partners average 25 years of experience. Each partner is supported by more than 2,000 years of collective CFO experience and national partnership resources, which include the latest technical software available for client services. Resources also include our banking and lending relationships.

The firm's Founder & CEO, Jerry L. Mills, CPA, is the author of "*The Danger Zone, Lost in the Growth Transition*" and "*Avoiding The Danger Zone, Business Illusions*" – non-fiction business books written for entrepreneurs. Both books are available for purchase at www.dangerzonebook.com. Mr. Mills is also the author of a new product, Finding The Exit™ – a tool taught by the partners of the firm to help CEOs with successful exit strategies.