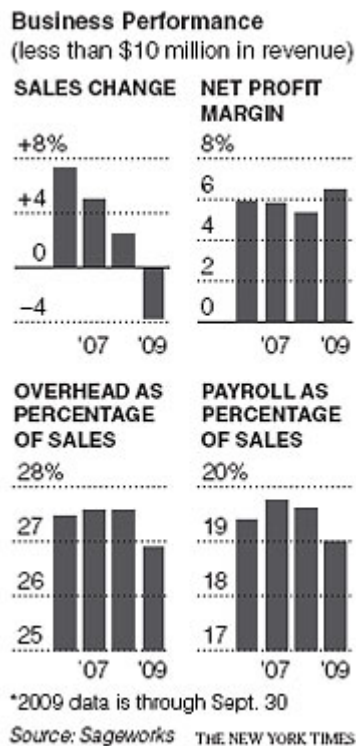


The New York Times

Small Businesses Hunker Down to Survive

By PHYLLIS KORRKI
Published: November 7, 2009

New data show that small businesses have battened down the hatches in response to the recession.



From the beginning of this year through Sept. 30, sales at small businesses (privately held companies with revenue of \$10 million or less) have fallen 3.75 percent, according to figures from Sageworks Inc. At the same time, net profit at these businesses has risen to 6.5 percent. How have they accomplished this? By cutting their costs. Overhead, payroll and advertising as a percentage of sales have all declined.

The numbers show that small companies have “reacted strongly and appropriately” to survive the downturn, said Drew B. White, the chief financial officer of Sageworks.

When you are a small business and your survival is at stake, it is hard to take financial and strategic risks, which generally require extra spending.