

# Give your business a seven-step boost

There are some basic strategies to boost the financial health of your business. In these tough economic times, you might want to try these seven steps:

## 1. Reduce receivables and extend payables

Change to a system of collecting early and paying late. If your average collection time (receivables) is 62 days and your average time paying vendors (payables) is 22 days, then you are financing your customers 40 days longer than your suppliers are financing you. Unless you get an early payment discount, your payables should be 40 days or more. Get your industry norms for payables and receivables from your local library, or access the data from the Risk Management Association at [tulsaworld.com/rma](http://tulsaworld.com/rma).

## 2. Increase inventory turnover

Unless your business sells large-ticket items, your inventory should turn over at least four to six times per year, maybe even 12 to 20 times per year for a high-volume, low-cost distributor. Go to the RMA for industry norms, and make sure



## BUSINESS VIEWPOINT

Matthew J. Bristow

you're at least within your industry average. If you have low inventory turnover, you are keeping too many dollars invested in inventory, which means you are financing your inventory, which raises the cost.

## 3. Cash projections

Regular cash planning allows you to adjust for cash shortfalls in advance and avoid unnecessary costs. The best practice is a rolling 13-month and rolling 13-week cash forecast. You should get to the stage where you can predict the exact week that you're going to run low on cash and struggle to meet payroll or other expenses that harm your business.

When you identify a future cash shortage, you can choose to cut expenses, raise prices, speed up payment from customers, stall payments to vendors, or get a short-term loan or credit line. Advance forecasts give you time to prepare for problems without causing unnecessary expenses.

And, if you do need to talk to lenders for financing, you can present them with accurate forecasts.

## 4. Renegotiate and refinance debt

Use the forecasting techniques described above to determine whether you can stay within the covenants of your credit agreements. You should be able to predict the week when your profit-to-debt ratio falls below the required level. Then you can impress lenders with clear and accurate projections.

## 5. Lose your worst customers

Analyze your customers by the following: revenue and gross margin they generate; their time in receivables; the disruption they cause to your business; the extra attention or special provisions they require; the cost of servicing them;

and referrals and positive image they generate for your company. Take the bottom 20 percent of customers and create a model to determine the impact of cutting the bottom one out and later replace them with better customers.

## 6. Renegotiate with suppliers

Renegotiate with your suppliers and request extended terms. Try buying in advance of a sales promotion and paying after the promotion so you have a chance to sell the product before you pay for it. Solicit bids from alternative suppliers to get a better deal.

Consider the total margin cost of the supply chain. If you need to reduce prices for customers, request that your suppliers meet some of the cost. Analyze the margin that is being received along the supply chain for the value that each supplier brings and compare to industry norms. Value is not only about cost. A higher-value supplier could supply better products, better warranty, more features and longer product life.

## 7. Improve technology utilization

Use technology for all routine and repetitive operating and administrative tasks. This will free up your employees' time to add value to relationships with customers and suppliers, and get extra training. Increased use of technology should lead to increased productivity per employee.

Once you have finished all seven steps, build a system to regularly monitor all of the key indicators of your business' performance that are described above. Once this is finished, make these best practices your company's standard practices.

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The views expressed here are those of the author and not the Tulsa World. To inquire about writing a Business Viewpoint column, e-mail a short outline of the article to Business Editor John Stancavage at [john.stancavage@tulsaworld.com](mailto:john.stancavage@tulsaworld.com). The column should focus on a business trend; the outlook for the city, state or an industry; or a topic of interest in an area of the writer's expertise. Articles should not promote a business or be overly political in nature.

# Biofuel powers Continental jet

Company officials are encouraged by the test flight.

BY JOHN PORRETTO  
Associated Press

HOUSTON — Continental Airlines on Wednesday became the first U.S. commercial carrier to conduct a demonstration flight powered in part by alternative fuels, though large-scale use of such fuel is forecast to be several years away.

The Houston-based company, the nation's fourth-largest airline, made the flight with a Boeing 737-800 that left from Bush Intercontinental Airport, its large hub. The flight took about 1 hour, 45 minutes and had no passengers.

Continental Chairman and CEO Larry Kellner said the goal was to analyze technical aspects of using biofuels, including effects on the plane's mechanical systems. In this case, the alternative fuel was derived from algae and jatropha plants and used in one of the plane's two engines.

Kellner and others acknowledged it will likely be several years before biofuels make up a significant percentage of the fuel used by Continental and other major carriers. At present, adequate supplies — and the facilities to make them



Monte Hawkins prepares to remove the fuel line attached to a Continental Airlines jet for the first biofuel-powered demonstration flight of a U.S. commercial airliner Wednesday at Bush Intercontinental Airport in Houston. DAVID J. PHILLIP/Associated Press

— aren't available.

Airlines have been experimenting with alternative fuels as a way to reduce carbon dioxide emissions and lower fuel bills, which hammered carriers in the first part of 2008 when oil prices spiked.

Last week, Air New Zealand tested a passenger jet powered partially with oil from jatropha, a bush with round, plumlike fruit that's found in

parts of South America, Africa and Asia. Seeds from jatropha are crushed to produce a yellowish oil that's refined and mixed with diesel.

Continental said its flight was the first to use algae as a fuel source, and the first test involving a two-engine aircraft. One engine ran on a mixture of one-half biofuel and one-half traditional jet fuel. The other ran solely on

jet fuel.

The biofuel exceeded specifications for regular jet fuel, and no modifications were needed. Jatropha and algae are both considered sustainable, second-generation biofuels, which fewer emissions than traditional biofuels like ethanol. Other possible sources include switch grass and salt-tolerant plants called halophytes.

# Social Security office upgrades phone system

Dear Action Line: I know you're too young for Social Security, but can you find out why the phone at the Tulsa Social Security office is not answered? I tried three days at the end of December for hours at a time to reach 641-2400, but it is busy or rings and rings and rings. Then it cuts you off! It's so frustrating trying to get important questions answered. Why isn't someone answering the phone at such an important facility? I've given up trying, and the national number's automatic answering service can't respond to specific questions, so I'll never get an answer. There's never anyone to talk to, and then it automatically cuts me off — once again! — J.V. Erwin, Tulsa.



## Phil Mulkins

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699-8888

Only 31 percent of seniors 65 and older have ever used the Internet, says a Kaiser Family Foundation 2005 survey. However, 70 percent of "the next senior generation," 50 to 64 years old, is quite familiar with going online.

Wilcoxson said the new phone system was installed about a month ago and, after the Web site help is outlined, the number is answered by "two or three employees assigned to answer this number." He encourages the public to use the national number instead — (800) 772-1213. This is answered 7 a.m. to 7 p.m. weekdays by more than 7,000 employees (who, of course, must keep up with the whole nation of seniors). The number has been in existence 20 years and is the number the agency prefers you call.

We referred your complaint to Lou Wilcoxson, spokesman for the Social Security Administration's Tulsa office, and he referred it to Wendell E. Norman, SSA Tulsa's operations supervisor. He responded directly to you and you later e-mailed us: "Phil, or should I say, Miracle Worker!? You could do a real public service and publish this number for all other older folks who need to contact Social Security. Thanks for your effort — I'm glad you knew who to contact!"

Norman e-mailed you: "I received your e-mail sharing your frustration with our phone system here at the Social Security office. Last month we had to upgrade our telephones in order to handle the volume of calls received on a daily basis. Our new phone number is (866) 931-7106. Please feel free to call that number 9 a.m. to 4 p.m., weekdays. You are also encouraged to visit our Web site at [tulsaworld.com/SSA](http://tulsaworld.com/SSA). We apologize for any inconvenience this may have caused you."

We dialed the 866 number and it is heavy on the "if you want to do something simple, get on our Web site" message.

With the new 866 number, "call early in the morning or after 5 o'clock. You can also get through quicker if you call late in the week and late in the month as traffic is slower at these times. The phone system is menu-driven, but if you stay on the line a real person will (eventually) answer," Wilcoxson said. He urges the 78 million baby boomers nearing Social Security age to access the SSA Web site and check the drop-down menu for 1,500 answered questions. Those already on Social Security can do many things: change an address, change direct deposit data, get benefits verification, order a Medicare card, etc.

Submit Action Line questions by calling 699-8888 or by e-mailing [phil.mulkins@TulsaWorld.com](mailto:phil.mulkins@TulsaWorld.com) or by U.S. mailing it to Tulsa World Consumer, PO Box 1770, Tulsa OK 74102-1770.

# Conservationists threaten suit over oil shale

BY JUDITH KOHLER  
Associated Press

DENVER — Environmental groups are threatening to sue the federal government to block plans for commercial oil shale development on nearly 2 million acres of public land in Colorado, Utah and Wyoming.

Twelve groups sent letters to Tuesday to the Interior Department and Bureau of Land Management, saying they will sue unless the potential impacts on endangered species are addressed.

They argue the final plan

and rules approved late last year violated federal law because the agencies didn't formally consult with the U.S. Fish and Wildlife Service.

"They cut Fish and Wildlife Service out of it," said Melissa Thraikill, an attorney with Center for Biological Diversity in San Francisco.

Documents obtained by the groups under the Freedom of Information Act show that Fish and Wildlife Service biologists were concerned about "information gaps" in the BLM's environmental analysis. The biologists suggested barring leases in habi-

tat for threatened or sensitive species, the documents show.

"In its rush to pave the way for oil shale development before leaving the office, the Bush administration broke the law once again by refusing to protect the West's endangered wildlife," Thraikill said.

BLM spokesman Matt Spangler said Tuesday the agency had no comment on the environmental groups' claims.

Colorado Gov. Bill Ritter and other state officials have urged federal officials to delay a final plan and rules for com-

mercial oil shale development, saying there are too many unanswered questions about the effects on water, wildlife, air and local economies.

They point out that companies are still experimenting with the technology and that industry and government officials acknowledge that commercial development is several years away.

The Bush administration released the final plan for opening the land to shale development in November, a few weeks after Congress failed to renew a ban on issuing final oil shale regulations.

## REAL ESTATE LEASES

**New Image Hair Salon** renewed its lease for 600 square feet at North Lewis Shopping Center, 4608 N. Lewis Ave., through CB Richard Ellis/Oklahoma.

**Faith Technologies** leased 2,500 square feet at Jenks Trade Center, 8446-8448 S. Peoria Ave., through CB Richard Ellis/Oklahoma.

**Z Studio LLC** renewed its lease for 1,375 square feet at Brookside Center, 4516 S. Peoria Ave., through CB Richard Ellis/Oklahoma.

Submit leasing information to Tulsa World real estate reporter Robert Evatt via e-mail at [robert.evatt@tulsaworld.com](mailto:robert.evatt@tulsaworld.com).

FOREIGN EXCHANGE						
MAJORS	CLOSE	CHG.	%CHG.	6MO. AGO	1YR. AGO	
USD per British Pound	1.5132	+0.093	+1.28%	1.9775	1.9697	
Canadian Dollar	1.1966	+0.0170	+1.42%	1.0177	1.0061	
USD per Euro	1.3614	+0.0091	+0.67%	1.5733	1.4696	
Japanese Yen	92.65	-1.36	-1.47%	106.96	109.03	
Mexican Peso	13.4803	+1.488	+1.10%	10.3520	10.9080	
EUROPE/AFRICA/MIDDLE EAST						
Israeli Shekel	3.8686	-0.0045	-0.12%	3.2531	3.8248	
Norwegian Krone	6.9042	-0.0489	-0.71%	5.0787	5.3742	
South African Rand	9.6500	+3.236	+3.35%	7.7640	6.9326	
Swedish Krona	7.8247	-0.0369	-0.47%	5.9844	6.3949	
Swiss Franc	1.1026	-0.0151	-1.37%	1.0259	1.1162	
ASIA/PACIFIC						
Australian Dollar	1.4036	+0.0250	+1.78%	1.0467	1.1507	
Chinese Yuan	6.8363	-0.0012	-0.02%	6.8729	7.2704	
Hong Kong Dollar	7.7516	-0.0021	-0.03%	7.8064	7.8009	
Indian Rupee	48.740	+2.74	+5.6%	43.309	39.242	
Singapore Dollar	1.4735	+0.0024	+0.16%	1.3630	1.4351	
South Korean Won	1292.40	-15.00	-1.16%	1040.00	940.73	
Taiwan Dollar	33.13	+0.05	+0.15%	30.40	32.47	

ENERGY FUTURES					
EXP.	OPEN	HIGH	LOW	SETTLE	CHG
HEATING OIL (NYMX)					
42,000 gal. cents per gal					
Feb 09	156.46	164.78	153.58	154.31	-8.32
Mar 09	157.50	165.50	154.55	155.21	-8.57
Apr 09	156.99	166.05	155.60	155.96	-8.77
May 09	159.49	166.12	157.10	157.11	-8.77
Est. sales 66,400. Tue's sales 88,553					
Tue's open int. 225,181, +685					
LIGHT SWEET CRUDE (NYMX)					
1,000 bbl. dollars per bbl.					
Feb 09	42.67	49.09	42.41	42.63	-5.95
Mar 09	48.83	53.44	47.22	47.39	-5.74
Apr 09	51.42	55.58	49.97	50.06	-5.28
May 09	53.14	56.93	51.95	51.95	-4.84
Est. sales 413,573. Tue's sales 649,999					
Tue's open int. 1,204,189, -187					
NATURAL GAS (NYMX)					
10,000 mm btu's, \$ per mm btu					
Feb 09	5.883	6.070	5.784	5.872	-0.11
Mar 09	5.888	6.080	5.789	5.874	-0.12
Apr 09	5.902	6.101	5.848	5.918	-0.125
May 09	6.000	6.140	5.903	5.988	-0.125
Est. sales 72,727. Tue's sales 111,847					
Tue's open int. 686,597, +6,172					
NY HARBOR GAS BLEND (NYMX)					
42,000 gallons, dollars per gallon					
Feb 09	1.0987	1.2000	1.0671	1.0764	-1.128
Mar 09	1.1400	1.2420	1.1204	1.1204	-1.143
Apr 09	1.2870	1.3779	1.2594	1.2594	-1.133
May 09	1.3044	1.3982	1.2855	1.2879	-1.128
Est. sales 46,033. Tue's sales 53,911					
Tue's open int. 192,928, +897					

AGRICULTURE FUTURES					
EXP.	OPEN	HIGH	LOW	SETTLE	CHG
CORN (CBOT)					
5,000 bu minimum - cents per bushel					
Mar 09	417	427	413.25	416.50	-11
May 09	427.25	437.25	423.50	427.25	-10.75
Jul 09	437.25	447.50	433.75	437.25	-10.75
Sep 09	447.75	457.50	444.50	447.25	-10.50
Est. sales 175,934. Tue's sales 175,934					
Tue's open int. 812,054, -3,210					
COTTON 2 (NYBT)					
50,000 lbs. - cents per lb.					
Mar 09	50.15	50.23	49.10	49.61	-67
May 09	50.37	50.50	49.50	49.97	-63
Jul 09	51.59	51.80	50.79	51.36	-53
Oct 09				54.06	-58
Est. sales 2,253. Tue's sales 19,752					
Tue's open int. 130,182, +668					
OATS (CBOT)					
5,000 bu minimum - cents per bushel					
Mar 09	222	231	220.50	222	-6
May 09	231.75	237.50	231	231.50	-6
Jul 09	245	245	240	241	-6
Sep 09				250.50	-6
Est. sales 1,186. Tue's sales 1,186					
Tue's open int. 16,128, -80					
SOYBEAN MEAL (CBOT)					
100 tons - dollars per ton					
Jan 09	297.50	300.00	295.00	295.00	-5.30
Mar 09	297.40	303.50	295.20	295.50	-5.50
May 09	300.10	305.30	297.40	297.40	-5.60
Jul 09	302.80	305.50	300.30	300.30	-5.70
Est. sales 45,331. Tue's sales 45,329					
Tue's open int. 116,779, -5					

AGRICULTURE FUTURES					
EXP.	OPEN	HIGH	LOW	SETTLE	CHG
SOYBEAN OIL (CBOT)					
60,000 lbs. - cents per lb.					
Jan 09	35.72	37.20	35.64	35.92	-1.13
Mar 09	36.13	37.55	35.83	36.18	-1.13
May 09	36.48	37.81	36.21	36.55	-1.13
Jul 09	36.88	38.16	36.61	36.92	-1.12
Est. sales 177,825. Tue's sales 135,514					
Tue's open int. 198,619, -1,593					
SOYBEANS (CBOT)					
5,000 bu minimum - cents per bushel					
Jan 09	995.75	1018.75	989.50	990	-24.25
Mar 09	995.25	1023	988.50	990	-26
May 09	1006.25	1034	999.75	1001	-26.25
Jul 09	1018	1044	1010.75	1011.75	-26.50
Est. sales 160,719. Tue's sales 160,719					
Tue's open int. 281,941, +2,568					
WHEAT (CBOT)					
5,000 bu minimum - cents per bushel					
Mar 09	624	646.25	609.50	613.25	-30.25
May 09	640	658.25	623	626	-30.50
Jul 09	648.50	670	634.50	637.25	-30.75
Sep 09	668	690	654	657.25	-31
Est. sales 115,734. Tue's sales 68,270					
Tue's open int. 261,009, +3,446					
WINTER WHEAT (KCBT)					
5,000 bu minimum - cents per bushel					
Mar 09	655	656	637	637	-33
May 09	662	665	648	648	-33
Jul 09	675	675	658	658	-34
Sep 09	667				