

Find the silver lining
how your business
can thrive during
an economic
storm *By Barbara Weltman*

Most businesses are impacted by the slow economy. Sales may be down, costs are up, and credit is tight. Only smart companies will be able to manage the challenges and become stronger and more vital for the experience. Here are some ways you can take advantage of current conditions to help your company shine.

TAKE ADVANTAGE OF TAX OPPORTUNITIES.

The Economic Stimulus Act of 2008 created two important tax breaks that apply only for 2008. Use them now to upgrade your equipment or miss out on this tax-saving opportunity.



First-year expensing of equipment up to \$250,000. Instead of depreciating the cost of equipment over five years, seven years or more (the period is fixed by law), you can opt to deduct the cost in the year the equipment is purchased and placed in service. The expensing option applies not only to computers, office furniture, machinery, and other equipment, but also to off-the-shelf software.

50% bonus depreciation. Half the cost of new equipment purchases can be deducted in the first year, with the balance depreciated over time. Bonus depreciation can be combined with first-year expensing to produce dramatic write-offs. Both breaks can be used whether equipment is purchased for cash or financed in whole or in part.

USE TECHNOLOGY TO WORK SMARTER.

Companies that are watching costs and may be running with a tight workforce can save time and money while improving efficiencies by employing useful applications.

Integrate software to reduce data input time and save training time spent learning multiple products. Instead of finding a different software application for every business process—accounting, customer-relations management, etc.—look for a single, integrated solution to handle your business processes. With this approach, staff will be more productive; they will learn one application faster than several applications; and they will save time by entering data into just one system.