

## RECESSION: WHAT WILL YOU CUT?

FLOORING manufacturers' 2009 budgets have been the subject of unprecedented scrutiny and soul-searching. The question often dominating boardroom discussions is: What can we cut?: Payroll (redundancies), product development or prices (increasingly, one firm is charging more)?

Also frequently for the chop are marketing and advertising, exhibitions and, sadly, training (which is simply short-sighted).

Of course, there is uncertainty and worry how to survive the slump. But, as night follows day, there will be a recovery and a strengthening economy. Whether it happens this year or next, flooring businesses must be ready to grasp opportunities in a future bull market, while also making the best of the current troubled conditions. Drastic reductions now could leave your business ill-prepared when things improve.

The open secret is that most successful flooring firms are keeping their 2009 advertising budgets at last year's levels. Mindful of what happened during previous downturns, these businesses have avoided sweeping cutbacks. After the 1992 recession companies that continued with normal advertising and marketing gained significant market share from close rivals, who simply slashed all promotional expenditure.

Exhibitions are also axed without a thought. You would think, therefore, that major flooring shows like Domotex (to be held this month) will be hard hit by the global downturn. Wrong!

Surprising as it may sound, the number of exhibitors signed up this year – around 1,350 – is an all-time record, as is the net display area – 92,500sq m. Over 1,000 of the exhibitors are from outside the host country, Germany, making this a

truly international event, the world's biggest flooring fair!

Aside from the 260 German exhibitors, India has most booths (210), followed by China (180). Other countries well represented are Belgium, Turkey, Italy, the Netherlands and Switzerland. Even the USA has 36 companies exhibiting.

So what about the pitifully small handful of British firms on show? It's a shamefully missed opportunity. The weak Pound against the Euro and Dollar means there has seldom been a better time for UK exporters. Exhibitors at Domotex will face an expected 40,000 visitors, many key decision-makers.

The few major UK flooring firms that do regularly attend this event report highly encouraging results, often making contact with valuable new customers from far-flung countries that they'd have otherwise never met and picking up big orders.

And if you are seeking expert guidance, **CFJ** is the only flooring magazine which over many years has consistently offered readers valuable business advice. For example, in this issue, there are excellent articles on exporting from Peter Allan (page 22) and on marketing from Leo Aspden (page 24). Take a read before you cut your budget again.



ALAN BAKALOR, Editor

Email: [alancfj@btconnect.com](mailto:alancfj@btconnect.com)

### For starters

AS 2009 dawns the media is full of forecasts and predictions for the year ahead. Just to be different, we have decided to quote what people in the past have said about the future:  
 'The best thing about the future is that it only comes one day at a time' - Abraham Lincoln

'Do not dwell in the past, do not dream of the future. Concentrate the mind on the present moment' - Buddha  
 'Losers live in the past. Winners learn from the past and enjoy working in the present toward the future' - Denis Waitley

Points of view, the readers' forum, is on page 8

Contract Flooring Journal (CFJ) is published monthly by



[www.contractflooringjournal.co.uk](http://www.contractflooringjournal.co.uk)

All rights reserved. No part of this publication may be reproduced or transmitted in any form or by any means, electronic or mechanical including photocopying, recording or any information retrieval system without the prior written consent of the publisher.

© Kick-Start Publishing Ltd

Printed by Ghyllprint, Heathfield, Sussex.

Suppliers have paid for promotional photographs.

Editorial and advertising copy in this issue have been carefully checked and Kick-Start Publishing cannot accept any responsibility for any errors.

■ The opinions expressed in **CFJ** are not necessarily those of the **CFA** or the publishers.

Address for advertising, production, circulation & subscriptions:  
 The Oast,  
 Great Danegate,  
 Eridge,  
 East Sussex TN3 9HU

EDITORIAL ADDRESS ONLY Y:  
 102 Queens Road,  
 Tunbridge Wells, Kent TN4 9JU

SUBSCRIPTIONS  
 UK £48  
 Europe £85  
 Rest of the world £160  
 Single copy £5



Kick-Start Publishing Ltd is a member of the Federation of Small Businesses



Official journal of the Contract Flooring Association

4C St Mary's Place, The Lace Market,  
 Nottingham NG1 1PH  
 Tel: 0115 941 1126  
 Fax: 0115 941 2238  
 E: [info@cfa.org.uk](mailto:info@cfa.org.uk)  
 W: [www.cfa.org.uk](http://www.cfa.org.uk)

Turn to Page 22 for the CFA comment

Please note: All editorial copy should be sent to the publisher at: 102 Queens Road, Tunbridge Wells, Kent TN4 9JU