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Times are Tough -- But Should You Talk About It?

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Is no news good news? Sometimes it's exactly the opposite.

In uncertain economic times, saying nothing about the state of your business might be considered evidence you're in trouble. But admitting your company is on life support won't exactly increase customer confidence; in fact, it could drive away your vendors and few remaining clients.

Acknowledging problems while remaining positive about the future is a delicate balance. What you say and how you choose to say it can have a huge effect on how you're perceived in your industry and community. The key is to give customers faith that you're sticking around despite the hard times.

It's not just [small businesses](#) that are wondering how much to reveal about their finances. Some major financial-services companies have felt the need to publicly reassure customers that their money is safe despite the recent Wall Street turmoil.

PNC Bank ([PNC Quote](#) - [Cramer on PNC](#) - [Stock Picks](#)) posted a letter from chairman and CEO Jim Rohr on its Web site, saying the [bank's](#) underlying business remains strong: "As we have reported in our public filings, PNC continued to be well capitalized as others in the financial services industry have faltered ... and our operations and credit positions have performed as expected. PNC pursues a moderate risk profile and has minimal subprime exposure."

Ameriprise Financial ([AMP Quote](#) - [Cramer on AMP](#) - [Stock Picks](#)) released a statement that emphasized the company's stability: "One of the most important messages you can hear right now from Ameriprise Financial is this: we are strong, stable, and as always, committed to safeguarding your dreams. We maintain a diversified business model, a solid balance sheet and a sharp focus on prudent risk management."

Should small businesses follow the big guys' lead? If things are going great, go ahead and brag. If you're one of the lucky few who's seen an increase in sales or snagged a major new contract, spread the message that you're not just surviving -- you're thriving.

But most small companies find themselves in a more awkward position. Sales are down, revenue is shrinking, and cost-cutting has become an obsession. Do you 'fess up? Cover up? Give up?

"Clients need to know that we will be around tomorrow," says Cher Murphy, president of Cher Murphy PR, a firm with offices in Florida and Virginia that specializes in small-business public relations. "In today's economy, prospects are more likely to become clients if you can provide evidence that your company is stable. Generally you only have a few minutes to convince your prospects before they move on."

Rather than moaning about the rough economy, find positive points to focus on. Emphasize how long you've been in business, your role in the community, your position in the industry or the expertise of your employees. Most important, talk up your company's future plans, to show you're focused on the long term.

Should someone ask you point-blank about the current state of your business, be upfront. "Address the issue head on," Murphy says. "Don't beat around the bush with your clients and hope they understand. Over the years, I have learned that honesty and accountability are the two most important elements to staying in business."

But honesty doesn't mean spilling every gory detail about your finances. "Be a well, not a fountain," Murphy advises.

Like PNC Bank and Ameriprise, use the current economic climate as an opportunity to highlight what your business is doing right. And don't forget to keep your employees in the loop: Tell them everything you're telling your customers, and make sure they know they're part of the solution. Layoffs may be inevitable, and cutbacks can lower everyone's morale. Give the employees who remain a reason to share your mission and goals.

If there's any silver lining to the economic crisis, it's that businesses that survive will emerge stronger than ever. "There's nothing more rewarding than sharing in the sense of pride and responsibility of getting through tough times together," Murphy says. "This partnership builds loyalty, trust and long-term relationships."

Moaning about the current financial situation is easy, not to mention cathartic. But channel some of that energy into landing new clients or broadening your services, and you'll come through a [winner](#).

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