



Stanford eCorner

How to Operate in a Downturn Economy

Gordon Ringold, *Surromed*

February 26, 2003

Video URL: <http://ecorner.stanford.edu/videos/411/How-to-Operate-in-a-Downturn-Economy>

Surromed has had to adapt its business plan, downsize the company, and pair down numbers of diseases, says Ringold. Things are very different from when they started the company. To be stronger when markets open up and to start a company today, one must build slowly and be flexible, he notes.



Transcript

Surromed has had to adapt its business plan. We have had to downsize. We have had to divest things that otherwise we would have done. We've had to tear down the number of diseases we're working on from this many to this many. Living in a world that is unkind, ugly, hard to finance, and living in the real world that we live in today, which is very different than when we started the company four or five years ago. And when we really finance the company about 2-1/2 years ago when, you know we could raise money. And our cash is going down and we don't want to have to refinance so we're having to tear down significantly. And build the company kind of the good old fashion way not by selling equity capital but by generating revenue and profit ultimately and then building more slowly, which is I think is a critical issue in anybody who wants to either go into or start a new company today. And if you do that, you'll be stronger when the markets do open up and when capital infusions can be made more easily at reasonable valuations.