

A 10-Point Small-Business Survival Plan for Dealing With the Coronavirus

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It's safe to say that this current crisis is like none other faced by small business owners in the recent past, and it's certainly daunting trying to tackle all of the unique issues it presents. Regrettably, the predominant voice we hear hasn't offered a lot of specific steps to take or advice on how to save our business, let alone come out on top.

Below are 10 issues to address with detailed considerations and action items that might make the difference in being able to keep your doors open and calm your employees and customers.

1. Immediate financial triage.

The greatest concern for most business owners, at least initially, is how am I going to pay my bills this week, next week, and how long will this last. Of course, this is a very difficult question to answer and moreover, most business owners are facing a reduction of business owners. Here are some important steps to take on the financial front as soon as possible:

- Create a cash-flow budget listing with fixed versus variable costs. Fixed costs will generally keep the doors open and must be paid. Create a list of priorities about which ones are most important and try to set money aside based on the timing of when they are due.
- Analyze cuts to unnecessary costs that aren't producing revenue or securing key business functions.
- Layoffs, terminations or furloughs of employees. Remember, your employees can be one of your greatest assets, and if you cut too deep, you may not get them back.
 - **Layoffs** are considered to be a temporary request for an employee to take unpaid time off. These employees will most likely seek unemployment benefits, but our hope is to have them back as soon as possible.
 - **Furloughs** can be a variety of things and tailored to your situation. It may be that employees work at a reduced rate, maybe they don't work at all and stay home, they may be paid a minimal amount, or might be paid fully at some point in the future. However, don't ask employees to work for free — you will probably face problems for doing so under state law.
 - **Terminations** are just what they sound like. You're letting someone go and they probably won't be coming back. They'll more than likely seek unemployment benefits as well.
- Find additional financial sources of revenue. Be creative in your sales and marketing (more on this below).

- Consider any savings or resources, including possible loans (more on this below).

2. Tax payments.

Taxpayers have an unprecedented tax payment extension from the Fed for 90 days, until July 15th. This is up to individuals and small business owners of up to \$1 million in taxes owed, and up to \$10 million for C-Corporations.

However, taxpayers still need to file their taxes or extensions. Still file or extend by April 15th. There are penalties if you don't file, but again, no penalties or interest if you don't pay (for up to 90 days).

Taxpayers might also be able to find some extra money by filing their taxes, because there's a good chance they could have a refund. In 2015, it was reported that over \$1.4 billion in tax refunds went unclaimed and were kept by the treasury department.

Important note: Don't fall victim to thinking you can wait to pay payroll taxes. If you are an employer, those payroll taxes are considered sacred funds by the government. You're playing with fire! Payment of these taxes is not extended and penalties and interest are significant for not paying payroll taxes.

3. SBA Disaster Assistance Loan.

The Federal government through the Small Business Administration has authorized loans to small business owners of up to \$2 million. These are meant to be used for business debt, covering payroll, costs to operate the business. The terms can be up to 30 years to repay and a low 3.75 percent rate.

A business owner will need to provide financials to qualify and a personal guarantee from the individuals owning 20 percent or more of

the company. At best it could take up to two to three weeks to get the loans as well, so don't think it's that quick of a turn-around either.

On the face of it, this may seem like a safe or logical choice. However, remember this is still a loan that has to be paid back. If your business is already barely getting by, it may not be the time to do into more debt. Maybe it's wise to close the doors entirely and re-open in the future. Taking such drastic action doesn't make you a failure.

4. COVID-19 policies within your organization.

Be clear with your employees regarding your specific policies within the business and safety protocol regarding the virus. It's probably wise to follow as closely as possible the CDC guidelines, social distancing, clean work areas, environments and good hygiene.

Be flexible on sick leave that employees want to take, and try to reduce areas of the company with groups of more than 10 employees. Cancel large events and use conference calls and webcams to communicate when possible.

Following any federal, state or local government directives regarding guidance for employers and looking out for the safety of your employees and customers, although a pain, will be appreciated in the short and long run.

5. Employees and your talent.

It's not all about cutting costs with payroll. It's important for business owners to show leadership. Set the tone and be the calm in the storm. You're riding a wave, you're on a surfboard. Don't complain about the wave or gripe. It's not going to change. Pay attention to it though and adapt.

Don't plan too far out and remember things are changing often. Make a plan for the next few weeks, then the next month. These plans will

change, but here are a few specific ideas or steps to consider with your team:

- If you have employees, make sure they are assured about being protected. You want to retain the key people who drive your business. In the end, it's people who make every business successful so focus on your key people.
- Don't get stuck in decisions you made last week. Be willing to adapt and have new plans. You are going to have to live with these changes once the crisis is over.
- Communicate any changes to your sick leave policies. Make sure your employees know to not come to work sick and that you are being generous with sick leave at this time (helps your payroll costs too).
- Stop hiring unless there is a candidate you've been trying to recruit and don't want to lose. Communicate with them.

Unfortunately, hard decisions will need to be made. Make a talent assessment in your company on who is valuable and how your business will be different if this person isn't working for you next week.

6. Marketing and sales.

Make sure to communicate clearly and consistently with your customers. If you are open for business, make sure they know that and how to interact with your organization. Make it easy for them to purchase your product and services.

Use your social media presence to keep your customers up to date. If you typically don't use social media, it may now be time to build one.

Implement a newsletter or series of emails to your customers if you aren't already doing so. Use it to communicate your ability to help customers and any changes to how you regularly provide them.

Be creative and find new opportunities to market and sell. Given the current conditions, what resonates with customers right now that you can provide? This is a good time to focus on your existing customers, provide excellent service, make sure you retain your important relationships and customers. Let any key relationships know you are still there and how you can be of service.

Finally, consider new ways to deliver your service or product. It may be through home delivery, mail or through virtual web-based services. Offer discounts if necessary and think outside the box.

7. Operations, research and development, product or service improvements.

If things are slow, this is an ideal time to tackle those projects you have been putting off. Invest in this time, don't waste it on Netflix or getting sucked into the never-ending news coverage. Instead, consider this time for you or your team to be invested in improving products, services and finding efficiencies.

If you or your team have more time available (because you have less work or fewer customers), use this time to improve your processes and efficiencies, improve products and services or make the changes you've been meaning to do over the past few years or months. We know we all have them in our business, and we've been too busy to get to them. Well, use this time now. Come out of the storm stronger and have a better product or service.

Conduct training in your company or get training yourself as a leader in areas you know will improve your company. If you know you are weak on social media marketing, or accounting and budgeting, IT, or a niche thing in your business category that could drive your business, invest your time into this. Get your team doing the same.

8. Remote work for your employees.

Many small businesses are having employees work remotely for the first time. Make sure you set the expectations for those working remotely. Many business owners already operate on nights and weekends remotely, but your employees probably don't (at least, that's been my experience this week).

Increase your level of technology if necessary as quickly and as affordably as possible. Hopefully, you aren't on an old-school server and have your key software and company functions in the cloud. If you are on a server, you will need to set up VPN accesses for employees to access their work computers from their home computers. If you are on the cloud, this is much easier (Gmail/Google, Outlook 365, Salesforce, most modern CRMS, etc.).

Implement a work-from-home agreement in writing with your employees and have them sign it. Set-forth expectations and implement a procedure for a weekly productivity report to be completed each day and then summarized by the week (excel spreadsheet is what we use) so that employees are tracking their workloads, customer interaction, and projects. You can also include in this agreement terms for reduction in pay if necessary based on productivity or sales.

Assess what functions can be done remotely and what must be completed in the office. For most businesses, not everything can be remote. A small team may need to be on-location for certain functions (mail, packages, shipping, etc.). Try to have a measured approach and get as many people as possible to work remotely but realize it's probably not possible for all, depending on job function, employee skill, family situation at home of the employee and more.

9. Assess your business's 2020 strategic plan.

If you didn't make a Strategic Plan for this year, it's certainly time to make one now.

This is a great time to make modifications. Start on projects that have been on your wish list and reevaluate your objectives for the year. Adjust the plan and outlook for 2020 as you know more about your business.

You're going to have weeks or months dealing with this mess. Are you going to use the time wisely or waste it?

10. Be charitable, show humanity and note what you are learning from this.

We are all learning a lot about how we could have better prepared for this disaster. Use this time as a wakeup call and learn from this experience. Start taking notes and don't return to the status quo when this is all over.

- Have a financial reserve or savings account for your business that could help in times of need or disaster.
- Have a personal financial reserve of a few months of living costs.
- Build a small food storage at the least. Maybe a few months' worth of household goods, such as toilet paper, soap, feminine products, laundry soap, etc. Do your best with the resources and space you may have.
- Consider new revenue sources and small diversifying your business.

Finally, try to serve and help those in your community. The more you help others worse off than you, the better you'll feel. As even a short history of the United States has shown, this too will pass and we should do all we can to help one another through it while we all learn and grow from this trial.