

9 Important Steps You Can Take In Your Business To Deal With The Coronavirus Challenges

Hello all,

I just thought I'd write some quick pointers on how a business like yours can deal with the challenges the Coronavirus will inflict. Some short term measures and also some longer term.

At the start of the year you may have planned for 2020. Whatever you thought 2020 was going to look like in all probability it will not look like that anymore.

I would like to say that this is certainly not a time to panic. This serves no purpose and will only get in the way. Don't Panic, PLAN.

It is of course very understandable to be worried but let's focus that energy in preparing and planning. Here are some steps I feel you may find useful.

1 - Focus On Cash

From a business perspective this is critical. Bring the business back to its basic element. Is it generating cash or burning it? More especially which investments in the business are generating or burning cash?

- Is there enough cash in the bank to pay the utilities, next week's payroll, new stock arriving etc.
- Get invoices out quickly
- If you've had to cancel a service as a result of the virus/shutdown then if it's possible try to postpone rather than refund an order
- Encourage prompt payment by clearly stating payment due dates and sending overdue notices promptly
- Follow up on outstanding invoices on a daily basis
- Set a daily cash target
- On the flip side, check on the credit terms that your suppliers allow. You may be able to get them to extend the terms if necessary.
- Have a cash flow forecast... *I have a simple spreadsheet which is really useful here. Just ask and I'll send it to you.*
- Keep marketing and selling

- Get your team to be more productive than they've ever been
- Get cash upfront – don't default to giving credit; take a credit card payment
- Double-down on your best customers – they are gold so call, email, or send a card to your best customers
- Review your credit policies
 - only offer credit to your best customers
- Weed out unprofitable customers
- Flag slow payers
- Renegotiate contracts - changing economic conditions may justify a change in contract
- Manage inventory tightly - ask yourself how much you really need to meet demand
 - Do you really need to have 100 units of every product sitting on your shelves, waiting for the big order
 - Can you increase the frequency of deliveries (and lower the size of each shipment) from your suppliers?
 - Also, maybe now is the time to liquidate the worst selling products
- Reduce unnecessary expenditure

2 - Get Finance In Place Now

The old adage of 'Cash is King' is so very true and especially so in uncertain times.

It is very likely that Banks and Governments will announce positive measures to support small businesses over the coming weeks. In fact the trend globally has been very encouraging in this regard.

Remember that this downturn unlike the last one is not down to an over extending of credit by the banks so they are very much open for business. Banks are a business in and of themselves and they need to make money. With interest rates being slashed again around the globe Banks will need to make their money work for them i.e. they will want to lend it to you.

So.....

- Engage with your bank and lenders early to ensure
 - emergency funding is available
 - Overdraft facility is available
- Do it now while they are still lending
- Re-Finance if necessary
- Use credit cards – but be careful!
- Is Invoice Discounting/Factoring/Purchase order funding suitable for you
- Explore microfinance and small business lending networks

- Are there grants available for your industry that you have not looked into up until now
- Would Angel Investors be interested in you
- Negotiate better/emergency terms with you suppliers

3 – Plan To Work From Home

This is not always possible for every business nor for every role in a business but it is prudent with this virus to at least trim down the number of people in the office/building etc.

- What technology will be needed? – Laptop, Wi-Fi, dial in access etc.
- Can we use Zoom, Skype etc. for meetings
- How do we continue to contact our customers
- How do we communicate with each other
- The key to working from home is clear communication with your employees – and knowing exactly what's expected of them
- Working from home can feel unstructured and isolating so communicate regularly
- As much face-to-face interaction online as possible through video calls, regular check-ins is advisable and regular meetings/calls with no agenda may be useful as well

The key here is to plan and act quickly.

4 – Staffing Cuts/Changes

This may not be necessary and it is fairly obvious that certain sectors (like travel, hospitality etc) are suffering the most right now and may need to look at some or all of these measures. Others may not need to go here at all but I am including them for completeness sake. Let's be honest the biggest single cost on most businesses Profit & Loss account is wages/salaries.

- Ask staff to take holiday/vacation time during the crisis
- Reduce hours before reducing salaries
- Allow attrition – do not replace a departing employee
- Suspend bonus programs
- Temporary layoffs

A point to note is that layoffs are not nice and do hurt morale, but sometimes they're essential to your business's survival. If you do have to layoff employees, make sure you cut deep enough so you don't have to do it again in 6 months. If you make a shallow cut and tell the remaining employees

there may be more to come, everyone will be scared for their job. A nervous team is not an effective team. If you foresee layoffs coming in the near future, do it sooner rather than later.

Please consult a HR specialist on these matters.

5 – Communication

- It is important for those in leadership roles to convey a sense of calm and exude a confidence they have matters in hand, so as to avoid unnecessary panic
- Communicate with:
 - Your team
 - Your customers
 - Your Network
 - Your Suppliers
 - Your Community – if applicable for your business
- It's important you work out who you need to communicate with
- It's important to understand what you need to communicate about. E.g.
 - Business continuity
 - Cleanliness
 - How we are dealing with the crisis
 - How we are mitigating against our customers greatest fear etc.
- Employees are being exposed to conflicting information and feel anxious or confused about the best course of action
- Communicate policies promptly, clearly, and in a balanced manner
- Communicate the reasoning behind policies so that employees can deepen their own understanding
- Take initiative in unanticipated situations, such as employee holidays in a restricted location
- In summary, be open with your employees. Cultivate an attitude of “we’re going to weather this together”

6 – Keep Marketing & Selling

“For a business not to advertise is like winking at a girl in the dark. You know what you are doing but no one else does” – Stuartt H. Britt

- Lean times are exactly the times your small business most needs marketing
 - Consumers are restless and looking to make changes in their buying decisions
 - help them find your products and services and choose them rather than others by getting your name out there
 - Everyone else will be cutting back which is a massive opportunity for you
- Negotiate better rates in your marketing as you’ll be in a better bargaining position
- Look at your current offers – are they still relevant – Pivot if necessary
- Test and Measure everything. Know your numbers in each of the following areas
 - Lead Generation
 - Conversion rate
 - Average Sales
 - Number of transactions
 - Margin
- Get cash upfront if you can; Don’t automatically give credit
- Get your sales team to continue to make calls and have sales meetings
 - Remember “Nothing happens in a business unless a sale is made” Zig Ziglar
- Make sure you and your team update your CRM so you know where everyone is with opportunities if someone is out of work

7 – Double Down On Your Existing Customers

- Remember “a bird in the hand is worth two in the bush”
 - Your current customers are the opportunity to make more sales without incurring the costs of finding a new customer
- Existing Customers are by far your best customers
- Call, email, or send a card to your best customers
- Now is the time to remind your customers why they chose you in the first place
 - If you’re not the cheapest, but you offer a premier product or superior service, remind your customers of the exceptional value you offer
- What are their needs at this time – make it your priority to find this out
- Create deals just for them

- Create bulk buy deals for cash upfront
- Keep them at all costs
- Communication here is vital – make them feel appreciated
- Let them know how you are handling the crisis
- Consumers spend differently in difficult times. Position yourself as a great value option, and you'll thrive
- Look over your customer mix. If any single customer represents more than 10% of your business — or your top five clients together account for more than 25% — you need to diversify

8 – Be Level-Headed and Stay Positive

- Panic and worry never helps
- Look for small wins every hour/day
- Sometimes less news is a good idea – turn it off
- Lead your people
- If you go around thinking the world is ending then your business world may just do that
- Negativity is going to be around but for YOU please be the most positive in the room
- Look for opportunity
 - Can you pivot your business in this time to benefit you going forward
 - Create a new offering and/or new offers
 - Can you gain market share?
 - Now is the time to offer something more or something different than your competition does
 - Can I supply people what they need right now...and no I don't mean toilet paper!!
 - Do any of your products/services help with e.g. cleanliness, facilitate remote working etc.
- Focus on what you can do, not what you cannot do
- It may be appropriate to drop the extras and focus on what you do best that is most profitable to protect your business
- Remember that your competitors are in the same boat as you. This may be a perfect time to launch a new initiative, take market share from your rivals, and put yourself in a position to accelerate through the recovery

9 – And Finally.....Take a chill Pill!!!!

- Relax, this is very likely very temporaryso plan, Don't panic
- Over deliver on Customer service
- Keep your team aware of the need for cleanliness and other sanitary etiquette
- Provide sanitiser
- Put people first
- And remember It's nice to be nice

As a result of reading this can you come up with 5 ideas to implement now in your business???

Go for it...

Please don't Panic.....But Please DO PLAN

And remember I am always here to help you and your business:

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