



Managing a Business in Crisis

Funded in part through a cooperative agreement with the U.S. Small Business Administration. All opinions, conclusions or recommendations expressed are those of the author(s) and do not necessarily reflect the views of the SBA.





Small Business Development Center

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Agenda

- SBDC Services
- Federal Updates
- Cash Management
- Pricing and Cost Management
- Supply Chain Management
- Marketing
- Business Technology

SBDC Services

- **Largest certified business advising network in the state and country, state, federal and local funding partners**
- **19 centers across the state**
 - **Offices in The Dalles and Hood River**
 - **Gilliam, Sherman, Hood, and Wasco as well as Klickitat and Skamania**
- **One-on-one advising**
- **Information and resources**
- **Training programs and course**
- **Community outreach**
- **Customized training and economic development programs**

Register for support services:

<https://clients.bizcenter.org/reg.aspx?mode=counsel¢er=2140&subloc=0>

EIDL and PPP Updates

- Both programs closed
- What happened?
- What's next?
- Round 4
- Contacting the SBA and local lenders
- Keep an eye on your account and number
- Other programs
 - <https://savesmallbusiness.com/>

Cash Management

- Financial Statements

- Profit and loss statements
- Balance sheet
- Income statement
- 30-90-120 day forecast
- One-year, month-by-month cash flow projection
 - This will show cash flow shortages, when that will occur and what you will need to cover it
 - Track your cash flow weekly or daily during recession
- Keep all financial records in one easy-to-access location
- Know your financial data well and regularly. Don't rely on your CPA to tell you how the business is going.

Cash Management

- Be proactive, develop a strategy and implement
- Work on, not in your business
- Review Your Payroll
 - Determine critical roles and staff
 - Role consolidation, cross training
 - Understand unemployment benefits and resources
 - Covid-19 temporary UI rules (additional doc)
 - Payroll retention tax credit
 - Delay in payroll taxes
 - WorkShare
 - Rapid Response Team
 - Make hard choices, the business must come first

Cash Management

- Prioritize who to pay first
- Address problem areas where costs are out of line.
- Regularly review customer accounts and have solid credit policies in place. Write them down and communicate them.
- Have a line of credit in place, review it regularly and adjust as needed.
- Sell unproductive assets now. Consider taking a loss to improve cash flow
- Review your insurance policies, coverage, terms

Cash Management

- Review accounts receivable
- Collect any or all outstanding accounts
 - Preserve important accounts
 - Be flexible and innovative
 - Offer cash discounts
 - Lump sum payments for slow pays
 - Consider monthly payments options
- Place slow pay customers on COD or pre-payment.
- Require cash payment at time of sale.
- Talk to vendor about negotiating your terms, partial payments, or longer terms

Engage Your Lender(s)

- Talk to lenders about renegotiating existing loan terms and interest-only payments for a while.
- Ask for deferment, contract extensions, re-amortizations
- Get a line-of-credit, know the risks
- EIDL and PPP
 - Reapply with your lender
 - Leverage deferral on loan programs
 - Use lower interest rates for operating capital
 - Ask for extension on PPP, 30 year at 4%
- Small business debt relief
- Traditional disaster loans, SBA 7(a), 504, and microenterprise
- Connect with local economic development organizations
 - MCEDD, OIB/WIB
 - Community Development Financial Institutions

Communications

- Talk to your employees
 - Do they know and are they following new health and safety guidelines? How can they use technology to increase productivity, especially in this new environment?
- Talk to your customers
 - Their needs have changed, what can you do to meet those needs? Look for new opportunities, markets and solutions. How can use your technology, including social media and other digital platforms, to engage and attract customers.
- Be realistic about the current situation.
- Talk to industry colleagues
 - What are they doing that seems to be helping in the current situation? Crowd-sourcing solutions may be helpful.
- Talk to your community
- Inform your community of your new hours of operation, and are there new ways to serve them?

Pricing and Cost Containment

- Evaluate your pricing strategy and know your margins
- Know your value propositions
 - Why do your customers buy or not buy from you
- It costs less to keep a customer than gain a new one
- Use your customers and employees as sales people
- Get better at what you're doing
 - Process improvement
 - Lean management
 - Incentives
 - Technology and automation
- Expense = value. If you can't quantify it, reconsider it

Pricing and Cost Containment

- Reduce unnecessary expenses like travel, entertainment and other areas that do not contribute to revenue generation.
- Review personnel requirements. Are vacant positions really needed? Can duties of vacant positions be divided among other employees or performed by part-time or temporary workers? WorkShare?
- Eliminate discounts and giveaways.
- Review pricing and value. Don't cut prices in panic mode.
- Consider renting unused space to other business owners.
- Negotiate discounts with vendors, when possible. Remember, trying times impact them too. They may be willing to offer short-term discounts they otherwise wouldn't.

Supply Chain Management

- Review inventory levels regularly (at least monthly).
- If your POS system has an inventory management feature, enter products as they come in. Your POS system will provide daily inventory information.
- Eliminate slow sellers when reordering and liquidate products that have been in inventory beyond 90 days.
- Consider adding items with faster turn times.
- Look for vendors that provide a just-in-time option for ordering products.
- Assess operations and capacity regularly. Adjust as needed.

Marketing

- Have a plan and/or rethink your strategy
 - Start with your value proposition
- Know before you spend
- Understand the value to your customer
- Don't assume, ask
- Identify key target customers and consider a “niche focus.”
- Reassess your marketing strategy.
 - New opportunity for additional revenue streams
 - Products and services
- Consider redistribution of marketing expenditures, stay away from contracts.
- Watch for new trends and look for opportunities to provide solutions.

Marketing

- Communicate regularly with customers to keep relationships
 - Customer support, business hours, services, special order needs, promotions
- Strengthen digital communications and online presence. – Use multiple channels to reach your audience: social media, email, website, text, etc. – Develop/update online profiles – Update your website
- Stay away from contracts unless they are proven

Business Technology

Tech to help you with your clients and customers

- Marketing
 - Customer Relationship Management (CRM)
 - Nutshell, Salesforce, Salesmate, Hubspot
 - Reach out, be social!
 - Facebook, Instagram, LinkedIn, Twitter, YouTube, Vimeo, Pinterest
 - MailChimp, Constant Contact, Survey Monkey
- Point of Sales System (POS)

Business Technology

- Shopkeep, Upserve, Toast, Shopify, Revel
 - Customer management
 - Employee management
 - Inventory management
 - Sales Reporting
- Payment Processing
 - Paypal, Venmo, Skrill, Google Wallet, Stipe, WePay
 - Hands free payment
- Quickbooks/Intuit

Business Technology

Tech to help you operate your remote team

- Virtual Meetings
 - Zoom - Best for webinars, teaching, large groups with presenters.
 - uberconference - best for small teams. Cheap and easiest to use. No downloading!
 - Gotomeetings, bluejeans, - Good for larger/busier organizations
- Internal Communication
 - Team Chat Apps: Slack, Hangouts, Discord, Microsoft Teams
 - Set expectations and protocols around communication.

Business Technology

- Security

- Make sure it is someone's job to be in charge.
- Virtual Private Network (VPN)
- Password Managers
 - LastPass, 1Password, Keeper
 - Keep in mind - icloud keychain and browser pw managers are for personal use.
- Check permissions on shared files
- Never send Username and Password in same thread.
- Separate church and state! If you or employees are using a personal computer, make sure they create a new user & keep files separate.

- Accessibility

- Google Docs, Box, Dropbox

Enterprise Resource Planning

- Netsuite
- Quickbooks Enterprise
- Syspro
- Epicor
- Xero
- Oracle
- Microsoft Dynamic
- SAP



Others Strategies

- Take advantage of your down-time
- Employee training
- Technology implementation and upgrades
- Market research
- Reconcile your books
- Product design and development
- Employee handbooks, rules, policies and procedures
- Paint, clean, and other improvements
- Evaluate your insurance coverage

Others Strategies

- Modification on Net Operating Losses
 - C-corps, sole-proprietors, and pass-through
- Get outside council
 - Third party perspective
 - Tax advisor, CPA, SBDC, Chamber, Trade orgs, EDC, etc..
- Small Business Legal Clinic – Lewis and Clark School of Law
 - Rural Opportunity Program
 - Up to 10 hours of professional legal council for only \$25 total
 - Same case manager for every session
 - Must be at 50% MHI
 - No litigation services
- Talk to your utilities, electric, internet, phone, water, landlord...
- Commerce4Good - <https://www.commerce4good.com/>

Take Care of Yourself!

- Finally, take care of yourself. Find things to help you de-stress. Go for a walk. Enjoy a book. Exercise. Do spring yard work. Do something other than worry about your business and watching the news. Be aware you are no doubt projecting your stress to your entire family.
- This situation to shall pass. Historically, after a recession there is a period of economic prosperity. Those businesses that survive a recession are generally in a good position to take advantage of this and grow.

Business Oregon

- [Entrepreneurial Development Loan Fund](#) (EDLF) offers direct loans to help start-ups, micro-enterprises and small businesses expand or become established in Oregon.
- [Oregon Business Development Fund](#) (OBDF) provides direct loans that can be used for permanent working capital. Participants must create or retain jobs and must typically be a traded-sector business in manufacturing, processing or distribution.
- [Oregon Royalty Fund](#) (ORF) provides direct loans to help early stage (post R & D and prototyping), scalable, and high-margin small businesses obtain short-term working capital.
- [Capital Access](#) (CAP) provides a form of loan portfolio loss reserve so financial institutions may make business loans that carry higher than conventional risks while complying with federal and state banking regulations.
- [Credit Enhancement Fund](#) (CEF) provides loan guarantees to financial institutions in order to increase capital availability to small businesses.

WorkShare Oregon

- Employees must qualify for Oregon unemployment insurance benefits.
- The plan must cover at least three employees.
- The normal weekly hours of work and wages are reduced at least 20%, but not more than 40%.
- Employees under the plan must have worked for you continuously for six months on a full-time basis, or for one year on a part-time basis before you submit the Work Share plan.
- Work Share plans cannot last more than one year.
- A worker can receive up to 52 weeks of Work Share benefits under a plan
- Cannot use if employee has already exhausted benefits

Links

- EIDL - <https://covid19relief.sba.gov/#/>
- PPP (US Treasury) - <https://home.treasury.gov/policy-issues/top-priorities/cares-act/assistance-for-small-businesses>
- SBA Debt Relief - <https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/sba-debt-relief>
- Employee Retention Tax Credit - <https://www.irs.gov/newsroom/faqs-employee-retention-credit-under-the-cares-act>
- Delay of Payroll Taxes - <https://www.irs.gov/newsroom/tax-day-now-july-15-treasury-irs-extend-filing-deadline-and-federal-tax-payments-regardless-of-amount-owed>
- Modifications of NOL - <https://www.irs.gov/newsroom/irs-issues-guidance-on-changes-to-excess-business-and-net-operating-losses>
- Modification on limitation of losses
- <https://www.velaw.com/insights/summary-of-business-income-tax-provisions-in-the-cares-act/>

Links

- MCEDD - <https://www.mcedd.org/covid-19-resources/>
- Skamania WIB Loan - <https://skamania-edc.org/business-supportincentives/loan-programs/wib-pilot-flier/>
- Small Business Stabilization Grant - <https://www.condonchamber.org/small-business-stabilization-grant-program.html>
- Business Oregon Business Navigator - <https://www.oregon4biz.com/Coronavirus-Information/>
- WorkShare - <https://www.oregon.gov/employ/Businesses/WorkShare/Pages/Work%20Share%20Home%20Page.aspx>
- Small Business Legal Center - https://law.lclark.edu/centers/small_business_legal_clinic/fee-for-service-program/
- Restaurant Employee Relief Fund - <https://rerf.us/>
- Verizon Small Business Recovery Fund - <https://www.lisc.org/covid-19/verizon-small-business-recovery-fund/>

Thanks for Attending!

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