911 for you and your small business
I DON'T HAVE ANY TIME NOW! CAN'T YOU SEE I'M FIGHTING A WAR?!

HE SAID TO TELL YOU HE'S BUSY AND DOESN'T HAVE TIME TO SEE YOU.
Making the decision to go forward
How to protect yourself and your business
How to change your business as the regulations and situation changes
Marketing forward – you can win; just not with the current methods
Disclaimer: not an attorney; not a Certified Public Accountant; not a Certified Financial Planner; not an insurance agent

Presented as thoughts from one small business owner to another

We have seen conflicting interpretations

Confirm with appropriate individuals before taking action
Words from The Clash;

Darling, you got to let me know
Should I stay or should I go?
If you say that you are mine
I'll be here 'til the end of time
So you got to let me know
Should I stay or should I go?

A personal decision: Is it time to quit?
Selling a business at this time is likely to be a challenge.

Buyer would be looking for fire sale prices.

Your recent history, a part of the basis for the “good will” or “blue sky” component is diminished.

Closing a business means you sell merchandise at greatly reduced prices; fixtures and equipment sell as scrap.
Remember what was said after 9/11
“Business will never be the same”
“People will be afraid to come out”
September 18 – baseball returned
What do you need to keep the doors open?

It is likely not as much as you anticipate

Use the break-even analysis calculator on the Profits Plus website to determine

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Let’s be concerned with you first
Where have you given personal guarantees?
Lease? Vendors? Bank? Other lenders?
If married, is it a joint guarantee or given as individual? Is there a partner? Does it make a difference?
Where can the personal guarantees be withdrawn?
What is the legal entity of your business?

While there are time limitations for the effectiveness of a change, knowing this could give you some peace of mind
In your state, what is protected from creditors or bankruptcy?

401k? IRA? Primary home?

What is unprotected? Can you protect these items?

How much equity do you have in your home?
Should you get that money to sustain your business or protect yourself from creditors or in bankruptcy?

Do you own your building? Or other buildings?

If you own the building your business is in, can you mortgage it to get cash to sustain your business? Cashflow will be a criteria of loan approval; can you repay the loan?
Will your mortgage or loan holder waive or delay payments or accept interest only?

Waive is not the same as delay

IRS has delayed tax return deadline to July 15
EIDL (Economic Injury Disaster Loan) and loan advance
https://covid19relief.sba.gov/#/

$10k EIDL advance; not paid back regardless of EIDL loan

The PPP loan: Up to 250% of average monthly payroll as a loan

Loan can be forgiven if spent in 8 weeks for payroll, rent, utilities, health insurance, benefits, etc.

Employees have to be retained
Business loss on tax return in 2018, 2019, 2020 can carry backward 5 years and forward indefinitely

If you reported a profit in these five years you can apply for a refund

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Investigate a line of credit vs. a traditional loan; which has the best interest rates?

Investigate a traditional SBA disaster loan; can’t duplicate the purpose

Call your local Small Business Development Center for free individual counseling

Americassbdc.org

Free webinars by some SBDC
Can you borrow from your IRA or 401k? Max is $100k without penalty. Taxes to be paid over three years.

Do you have whole life insurance with cash value? If you borrow here, be sure you do not borrow so much that you cause a default to occur.
What can we look at first?

- Operating expenses; seasonal inventory insurance; fluorescent ballasts; garbage pickup
- Worker’s compensation – are you covering yourself unnecessarily?
- Shop your insurances through different agents/companies?
- Any maintenance that could prevent expensive repairs? (air filters or water leaks)
Employees who volunteer to take part time or a leave of absence? Those that do not want to work?

The FFCRA Act; can you exempt?

Do you have the new FFCRA poster?

Payroll Tax Credit – Up to 50% of wages; $10k per employee; must have partial or full shut down; or 50% reduction in gross receipts

If claim exceeds credit, employer can request advance from IRS

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Employer payroll tax of 6.2% can be delayed to 12/31/21 and 12/31/22

Any services you can do without?

Your lease; do you need to ask for a waiver? Waiver is not delay

CAM relief?

Is there a business interruption clause in your lease?

Some utilities have already notified customers they will not implement shut offs
Credit card processing fees review

When you are asking any vendor or lender to help, share with them all that you have sacrificed so they see themselves as a partner instead of your first crutch
Software support; don’t be afraid to ask the vendor for a waiver from monthly support or lease fees

Do not negotiate to extend length of a contract in consideration for concessions

If you anticipate you are going to be late on paying an invoice to a vendor be proactive
Do not hide from vendors and creditors!

Negotiate no late fees on past due invoices

Is there a business interruption clause in your insurance?

Do not use credit cards to pay bills because you can not afford the credit card interest rate to pay it back

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If you have a credit card balance and are current in payments, consider looking at the no interest for 18 months credit cards.

Are there orders for delivery that need to be delayed?

Are there automatic monthly charges that need to be reviewed and temporarily halted?

Do not make an agreement for a payment plan to a vendor without an overall plan.

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This is a situation you did not create; do not feel guilty or depressed about this.

Explain to any company you negotiate with that you anticipate surviving the challenge and are implementing specific plans.

They may lose some sales temporarily, and some late fees, but they don’t lose a dealer!
With states ordering non-essential business closing, contact your state representative and senator to make your case for being essential; bike shops; firearms; fishing tackle; garden centers are examples.

States and cities have varying lists of what is a “non-essential” business.
- **Do’s and don’ts**
- If you visit with friends in the industry and they are “negative Nellies”; Do halt the communication
- Read a business book; not the news
- Watch out for the “help vultures”
Do’s and don’ts

Don’t send that Covid-19 email that you copy and paste from a hotel, airline or vendor that sent it to you

Do be positive; acknowledge the changes you will make to accommodate your customers

Don’t tell people they need to support you; they have enough concerns of their own

Leave your political opinions at home
Do’s and don’ts

These are unprecedented and grievous times. Only a few days ago we had reason to hope that we could continue with our meaningful work of selling and maintain some small semblance of normalcy. Now we see the path ahead more clearly: it is dark and scary.
We don't expect we will be able to open our doors for at least 8 weeks, and very likely longer. When we do open our stores again, we expect the landscape of our state, and all of our abilities to spend money, will have changed dramatically. When we closed our doors, we also closed off the vast majority of our business without any prospect of it returning soon.
Marketing uniquely
What has changed?
People have more spare time
People need distractions
Most businesses “hunker down”
People want to escape isolation. You can provide that with appropriate precautions.

The customer, new and existing, is yours to take.

Should you be open or available to customers? Know city and state regulations.

How you position your business; responding to those that bash an open business.

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Look at the seminar and calculator on the Profits Plus website: “Stop giving away your profit”

Use gift cards not discounts; the seminar shows how to get repeat and referral customers

Discounting will not create sales
Be a cheerleader and the leader your community needs to see

900+ members in 10 days; less than 4,600 in the town
- North Market Pop Shop
- Have your guest participate by Skype
- Offer delivery and curbside pickup

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Create a daily humorous YouTube video; “today’s unique creation – things I never thought I would do or say”;

Invite customers to send their suggestions for the videos or their own; give prizes from a coffee shop

Create signs to put in the drive thru window of the coffee shop; “Are you playing the ‘I never thought’ game?”

Have an online movie night to share with customers
Create a version of the bear hunt
Ask customers to put the poster in their window and send you a photo; Give prizes for people who send you their list of where they have seen it
Green star is symbol of hope
Offer to schedule appointments for customers who want distancing

Have private selling events

Get other local businesses involved; have a restaurant cater your selling event

If you serve alcohol, be sure to first check your insurance and perhaps local regulations

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Do something special for your customers

Do something in conjunction with an unrelated business – hand lotion
Use your email list; just don’t discount or keep selling; educate and show enjoyment

Call your customers; write notes. Invite them to bring a friend

Sell special gift cards; bought now but redeemed at special days and receiving a bonus when redeemed
- Incentivize your staff; what is your average line count?
- Your average ticket size?
- A reward for each customer they contact that does business with you
- Your conversion rate should be close to 100%
Be positive in everything you do
Listen to some music
Take a walk or bike ride to relax
Take a long hot shower to soothe you
Decrease your caffeine intake?
Don’t forget your family
Got questions?
Want a second opinion?
tomshay@profitsplus.org
Facebook message – Tom Shay
888-529-5907 or 727-823-7205
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