



## COVID-19 Survival Tips For Small Businesses

Nobody saw this coming. It is also not your fault. If you feel yourself not knowing where to start on preparing your business for the continued downturn rest assured you are not alone. Knowing you are unprepared is only half the battle- **now you are responsible for acting PROACTIVELY to keep your business afloat.** Below are 50+ ideas to help you survive a downturn.

### 1. Assess your current state

Cash flow is the #1 reason why businesses fail

(so get financing *before* you need it)

- How much cash do you have?
- How much available credit do you have?
- What are your options for raising capital quickly?
- How high is your burn rate?
- How is this already impacting retention, NPS, sales volume, leads, etc?
- Create scenario plans for levels of revenue decline (10%/20%/etc)
- Does your org structure make sense if revenue declines by 20%? How about 50%?
- Which metrics are falling? Which are improving?

- How are current customers behaving? What are they asking for?
- What projects or products are you currently investing in? Should you continue?
- Consider applying for a SBA loan, but don't expect a quick turnaround

## **2. Control your spending**

Renegotiate vendor contracts

- Ask for rent abatement
- Take advantage of Amex Business 2 month interest-free deferral
- Identify any non-accretive or redundant staff and consider layoffs
- Eliminate any unnecessary expenses, travel/event expenses
- Freeze hiring for non-crucial positions
- Consider revising comp plans and bonuses
- Consider pay cuts if necessary
- Consider an internship program for cheaper labor
- Use freelancers to fill gaps (there is an abundance of freelancers now)
- Sublet extra office space
- Sell off any assets, furniture, equipment, etc that aren't being used

## **3. Change up your marketing**

Cut low ROI marketing spend

- Adjust your messaging
- Offer a free trial or promo pricing
- Sell gift certificates to provide quick cash (Kabbage makes this easy)
- Take advantage of free advertising credits from Facebook (\$100M total)
- Incentivize prepayments with discounts or value adds
- Host webinars for your audience
- Build trust and a long-term pipeline through timely/relevant/useful content

- Empathize with your audience's situations, don't
- Offer deals to your warm audiences via re-targeting ads
- Search for new channels and run controlled experiments
- Don't want to spend cash? Set up a simple referral fee for advertisers and affiliates
- Consider adding bigger incentives to your existing affiliates to increase referrals
- Stay in touch with your database and deliver valuable information like industry predictions, case studies, tips for thriving, etc
- Podcast ads, Spotify ads, Native ads, Snapchat ads, FB/IG, print, ads in newsletters that your audience reads are all emerging opportunities to get in front of your audience
- Jump on industry publication ads that need to be filled at a discount
- Strong brands invest more in advertising during down markets

#### **4. Communicate clearly and often**

Present your plan to your team, keep them calm and focused

- Keep your shareholders and investors informed of your status and plans
- Make yourself accessible to staff to assuage their fears and to solicit feedback
- Explain the reasoning and context behind any new changes
- Listen to your leaders

#### **5. Keep your talent happy, healthy and productive**

Offer perks to keep talent happy (WFH, flexible schedules, mental health resources, etc)

- Share WFM tips and advice
- Make employee assistance programs easily accessible
- Solicit feedback from staff and managers
- Kill any cynicism or negativity quickly, as it is harder to course correct with remote staff
- Do what you can to keep morale high
- Maintain a regular cadence of an all-hands virtual meeting to keep everyone informed
- Allow your team to have some fun with Slack and the virtual environment

## **6. Re-forecast revenue and budgets**

## **7. Go where the attention/demand is now**

Restaurant? Get listed on Postmates, DoorDash, GrubHub, etc

- Retail? Get an online store up and running asap on Amazon, Walmart, Etsy, Shopify
- DTC? Facebook CPMs are dropping as online usage explodes and inventory expands
- Online usage is surging, make sure you have a presence on the sites/resources your customers frequent

## **8. Keep current customers happy**

Make sure NPS is high

- Check in and offer to help in any way
- Do things that don't scale (help will go a long way and will be remembered long after this subsides)
- Is there anything of value you can add for free now?
- Track product usage closely
- Watch for trends in customer support (this is a great source of opportunities and ideas for pivots)
- Ask your current (happy) customers for referrals and reviews

## **9. Accounts receivable**

Collect what you can without burning bridges

- Consider offering credits to customers with hardships
- Don't let this slip, cash is king

## **10. Get a contract CFO to assist if you don't have one already**

## 11. Get cozy with competition

How are competitors adapting? And how are their customers reacting?

- Would it be mutually beneficial to partner with a competitor or adjacent company to offer a bundled package of products/services?
- To save costs, can you co-market with a competitor or market to each other's databases?
- Find out if they're letting staff go, you may be able to scoop up high quality talent
- Find out if they're struggling, you may be able to acquire them for a lot less than you'd think

## 12. Innovate

Now is the perfect time for a hackathon to uncover new features, products, use cases, markets, etc

- Have your entire staff bring you their best ideas and opportunities
- How can you repurpose your existing tech or services to serve a sector who is thriving?
- Who will need your services even more after the lockdown is over?
- Who will need your product more in 6 months?
- The world will change because of this, how can you benefit?
- What are your customers asking for now? How can you reconfigure your offer to add value right now?
- Who is continuing to spend money? Can you serve them?
- Can you help your customers adapt to these sudden changes with a new feature or service offering?
- How can you make life easier for your current customers?
- If you're a product company, what service could you offer to increase the value of your product? Coaching? More advanced support? Professional services?
- What adjacent markets are growing? How can you enter and offer value?
- What internal tools/systems have you developed that can be productized and sold to a new type of customer?
- Pay attention to trends — where is money being spent? who is continuing to spend? What is

there a large demand for? What will be needed in 6 or 12 months from now? What supply chains are breaking down?

- How can you virtualize an in-person event? Trying on clothes virtually, virtual open houses for real estate agents, virtual whiteboards for teaching, etc.