



From Surviving To Thriving

How to Lead Your Business through the Corona Crisis

Presented by Jared Turner, Director of the Box Elder County SBDC
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Jared Turner

Director of the Small Business Development Center for
Box Elder County, Utah

Previous experience in marketing, education, publishing,
market research, food & beverage, fundraising,
international trade, and consulting.

Lived in Shanghai, China for 8 years and started two
businesses: a bakery and a publishing company. The bakery
just survived (*barely*) the China COVID-19 Pandemic.

University of Utah - B.A. Economics
Purdue University - MBA

Interests: Guitar, Chinese language, DnD, fitness, chopping
wood, ultimate frisbee, podcasting.

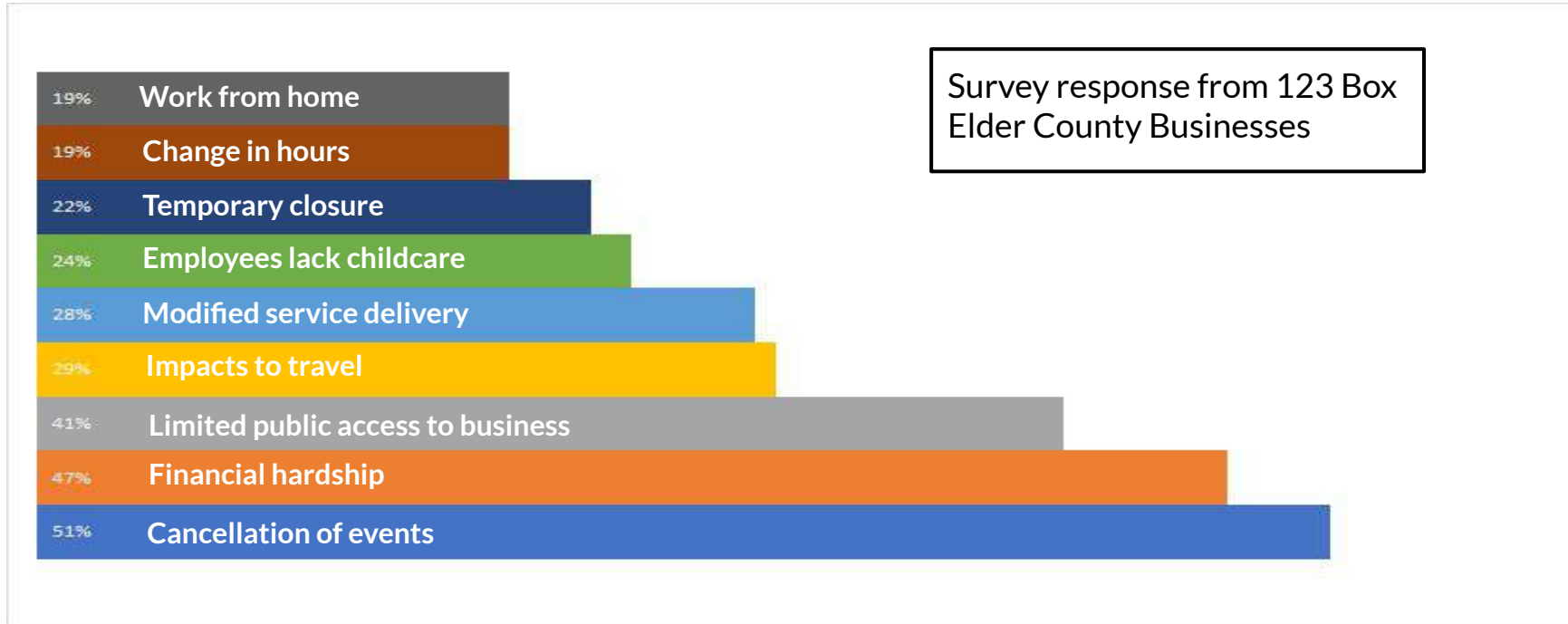




Presentation Outline

1. Box Elder Chamber of Commerce Survey Results
2. Utah Leads Together Outline
3. Strategies to Reduce Your Burn Rate
4. Finding Opportunities During the Crisis
5. Financing & Government Aid
6. Stabilization & Post Crisis Recovery

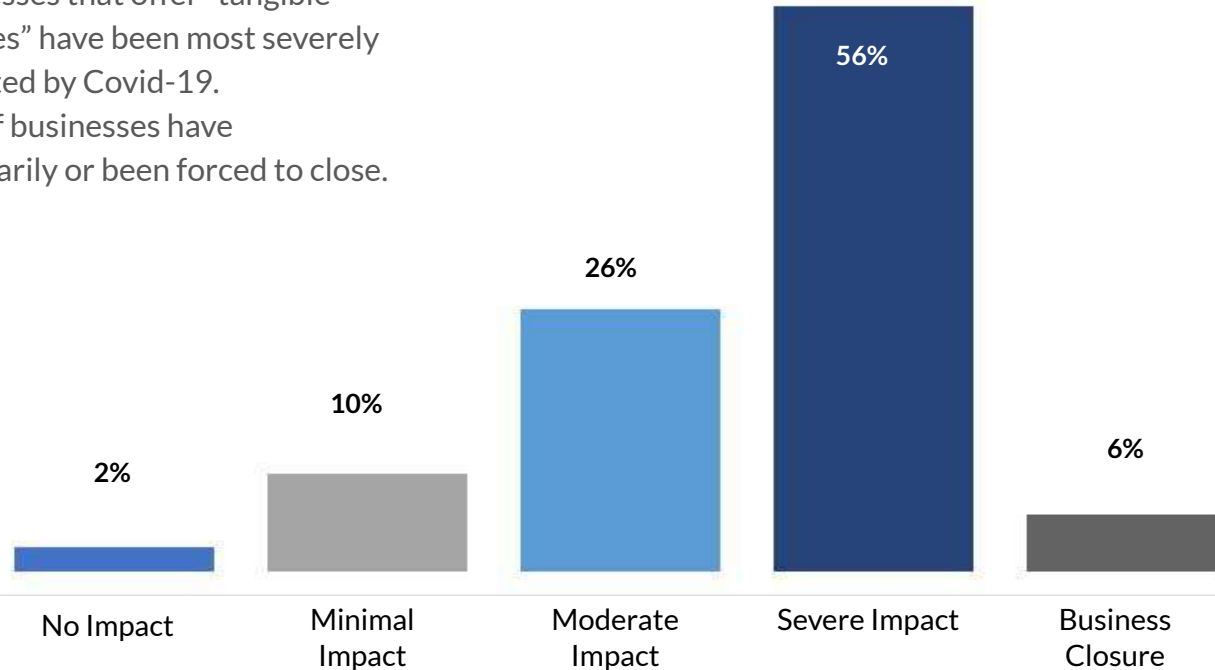
Immediate Impact of COVID-19 on Business



Box Elder Chamber of Commerce Small Biz Survey Results

Financial Impact on Business if Social Distancing Lasts for 8 weeks

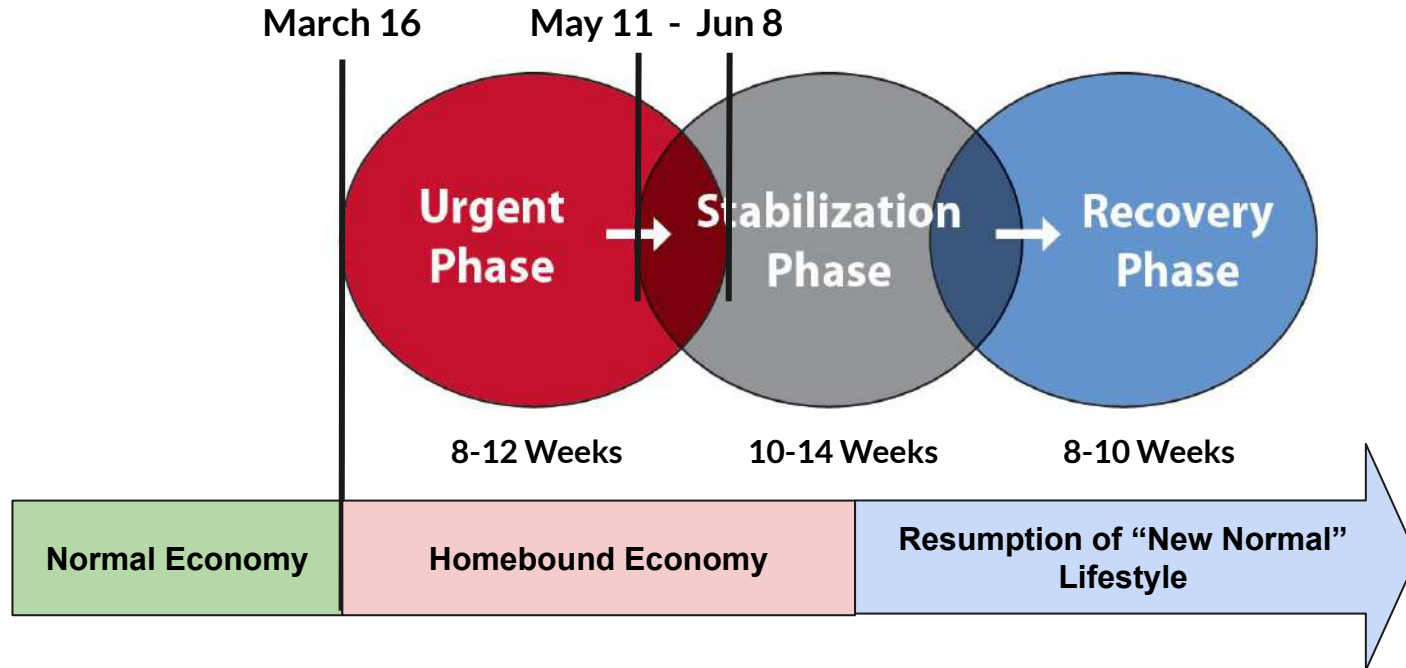
- Businesses that offer “tangible services” have been most severely impacted by Covid-19.
- 22% of businesses have voluntarily or been forced to close.



Source: Box Elder County Chamber of Commerce Business Survey March 2020

Utah Leads Together

Utah's plan for health and economic recovery



**Everything has changed.
Nothing will be the same again.**



Innovate. Adapt. Overcome.



Reduce Your Burn Rate

“Staunch the Bleeding”

- Renegotiate Rent Payments with Landlord
- Renegotiate Loan/Debt Payments with Bank
- Discuss Payment Terms with Suppliers
- Involve Employees in Plans to Reduce Work Hours and/or Furlough Days
- Cut Unnecessary Costs

Communicate!

Key Takeaway

As much as possible, eliminate the amount of cash flowing out of your business.





Working with your bank

- Work with your bank to see if there's anything they can do.
 - Ask about deferred loan payments
 - See if you can refinance outstanding debts
- Many banks are waiting to see what the Covid-19 Stimulus Package is going to look like.
- The first step is reaching out. Many banks will work with you to preserve the banking relationship you have with them.

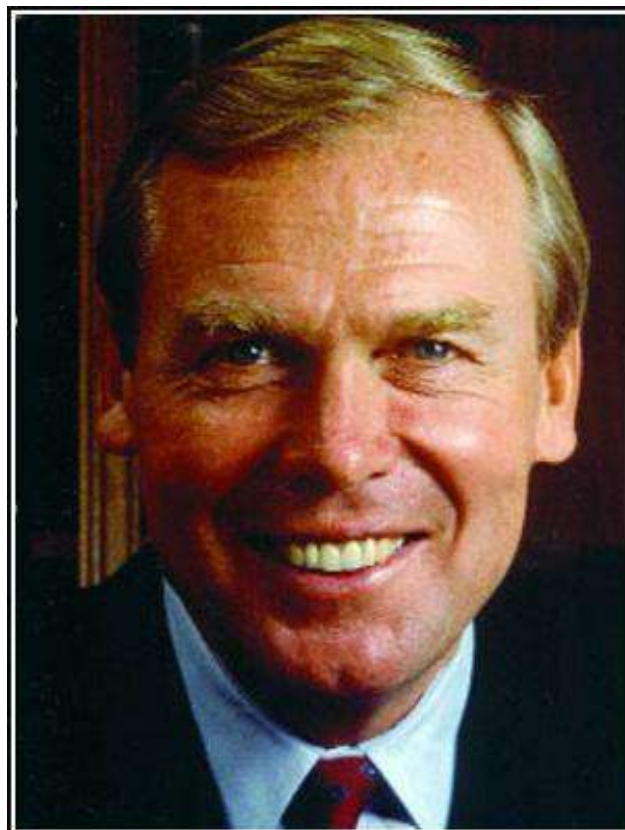
Banks we reached out to	
Alta Bank	First Community Bank
America First	Goldenwest Credit Union
Bank of Utah	Mountain West Bank
Cache Valley Bank	US Bank
Citibank	Wells Fargo
Elevate Credit Union	Zions



**Don't be these
guys.
Now is the
time for
action!**



Finding Opportunity in the COVID-19 Crisis



A crisis creates the opportunity to dip deep into the reservoirs of our very being, to rise to levels of confidence, strength, and resolve that otherwise we didn't think we possessed.

— *Jon M. Huntsman Sr.* —



Finding Opportunities During the Crisis

“Speed is the most important commodity during a crisis.”

危机

Wēi Jī
“Crisis”

=

Wēi
“Danger”

+

Jī
“Opportunity”

Trends to Learn From

People are Online and Finding Businesses

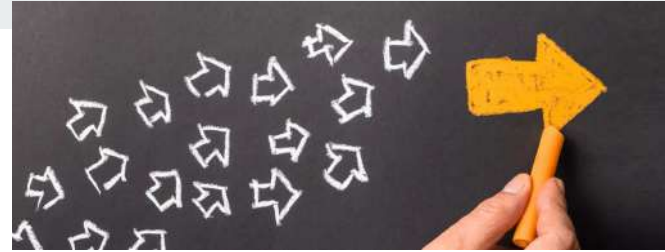
People are spending more time on social media, looking for updates, and finding businesses.

Focus on Empathy and Community Support

Use proactive and positive information about what you are doing to serve the community.

Habits are Changing

People are adapting to things they can do at home. In China, exercise videos were down 30% but yoga videos were up 271%.



People are Looking for Something to Do

People have more time on their hands.
Give them something to do.

Convenience Drives Sales

People are less likely to leave their home or car.

No Contact Service

Changing operations to eliminate physical contact offers an attractive option to customers.

Communicate with your Customers

Let Customers Know you are Open (or Closed)

Update your website, put it out on social media, send out an email. Let them know how things have changed.

Announce Safety Precautions

Let them know how you are protecting them and your employees from possible infection. Instil confidence in you.

Offer Special Discount or Promotion for Duration of the Pandemic

This pandemic affects everyone. Recognize the shared burden.



B2B Companies: Personally Contact Clients

Get on the phone. Find out their needs and how you can change to meet their needs.

Empathize and be Positive

Recognize the difficulty everyone is enduring and offer encouragement and unity.

This is not a time to be “salesy!”

Utilize Technology

What Part of your Business Can you Move Online?

Move communication that normally happens face-to-face to online.

Create Online or Phone Ordering System

Make it easy and possible for customers to spend money with your business.

Host an Online Event

Did your event get cancelled? How can you host it online?



Can you provide part of your service online?

Handyman: Diagnose the problem and scope of work via video chat. Schedule a time to come when customer can be away.

Dance/Exercise: Hold classes online. Modify classes in a way they can participate.

Bar/Tavern: Host online karaoke night.

Realtor: Video call house tour.

Innovate - Try Something New

What really matters to customers?

Use What You Have Differently

How can you use your existing equipment, employees, and resources to serve the market in a different way?

Create a New Product or Service

Create a limited time offering for the duration of the pandemic.

Manufacturing: Retool to Make Items in Demand

GM, Ford, and Tesla are now making ventilators and masks. What can you make?



Deliver

If the customers can't come to you, go to your customers.

Modify your Business Model

Dine-in Restaurant: Carhop restaurant.

Retail Store: Set up virtual shopping via video call.

Band Together with other Businesses

We are all in this together. Work together with complementary and competitor businesses.

Pre-Sell and Gift Cards

Give an opportunity for customers to support you and anticipate the recovery phase.

Case Study: One-Way Street Library

Problem

- Independent bookstores in Beijing were struggling
- Most couldn't last more than 3 months of social distancing

Solution

- Book stores began selling together through livestreams
- Took individual efforts and combined them for more effect
- Presold materials, memberships, and packages to make ends meet



Takeaways

- Combine efforts with other businesses in your community
- Use technology to take an offline experience online
- Give-a-way for customers engage and help local businesses
- Pre-sell for when you open back up

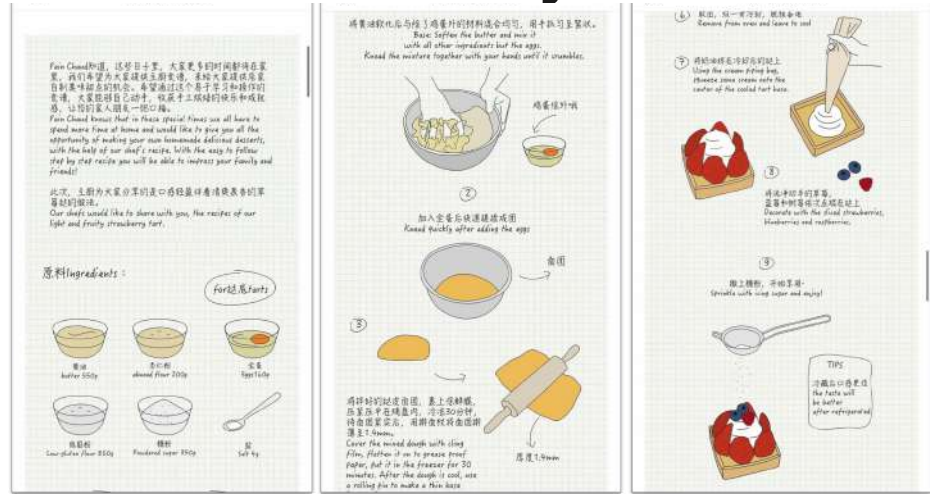
Case Study: Pain Chaud French Bakery

Problem

- Small bakery in Shanghai, China was forced to be closed for 5 weeks during the COVID-19 Pandemic.

Solution

- To engage their customers, they posted a cute recipe of a popular pastry for people to make at home.
- Customers made it and shared pictures of their home-made dessert on social media.



Takeaways

- Give your customers something to do that is valuable to them.
- Support your customers and keep them engaged.
- Keep yourself at the customers top of mind when restrictions ease.

Doesn't Apply to You?

If you are in an industry that is in forced closure or cannot function without physical contact....

Step 1: Have you challenged your assumptions?

Can you do it in a hazmat suit? Maybe you should get one. In the words of Oliver Cromwell, *"I beseech you, think it possible that you may be mistaken."*

Step 2: Study the regulations. Is there a way you can still function, follow guidelines, and keep you and customers safe?

Step 3: Look to industry organizations for guidance. What are others in your industry doing to function?



If there is no possible way for you to function and there are no innovative opportunities you can think of, ***cut your burn rate as much as possible, and look for bridge financing.***

Financing & Government Aid

Federal Assistance Plans

<https://www.sba.gov/page/coronavirus-covid-19-small-business-guidance-loan-resources>

	Economic Injury Disaster Loan	Express Bridge Loan	Small Business Interruption Loans
Where do you apply for the loan?	The SBA's website	SBA Express Lenders (Banks and Credit Unions)	TBA (pending passage of stimulus bill)
Who can apply?	Any small business	Businesses that qualify for 7(A) loans	Business with fewer than 500 employees
Maximum Loan Amount	\$2 Million	\$25,000	\$10 Million or 1 months payroll times 2.5
What are the loan terms?	For profit businesses: 3.75% for up to 30 years?	Depends	TBA
What can the loans be used for during the Covid-19 outbreak?	To cover accounts payable, debts, payroll, and other bills		Payroll
What's required to apply?	Standard financial statements	Check with your 7(a) approved lender	AT LEAST 6 weeks of payroll data

Other Financing

Bank Loans

If you are unable to qualify for the SBA Loans, you can apply for standard commercial loans.

Merge or Joint Venture

Will combining your business with another make both of you stronger?

Utah Dept of Workforce Services Offers Unemployment Insurance

For affected employees, they can receive benefits. They are processing claims as quickly as they can.

Lines of Credit

Can be used to supply working capital

Equity Investor

Bringing in an investor or partner may provide the financing and help you need to see your business through the crisis.

Private Loan

Turn to friends or family.



Stabilization & Post Crisis Recovery

Quick Recovering Sectors in China

In China, the service industry has a high Back-2-Work rate during Stabilization Phase.

- Car services - 96%
- Dining-out Services - 82%
- Hospitality Services - 82%
- Brick & Mortar Retail Channels - 80%



In China, people are talking about celebrations and commemorating a special day as the epidemic clears.

Post Pandemic Opportunities

Your Opportunity Starts Now

Grow the bond developed with the community

You did this together and have forged a bond with your customers through shared hardship. Don't let this go.

Refine and Adapt Innovations

Keep developing and refining your business innovations!


Be ready to hire/recruit employees

Prior to the crisis, many businesses were experiencing great difficulty finding employees. Be ready to capitalize on people looking for work.

Celebrate!

This will be a formative experience for this generation. Celebrate the passing of a great hardship and build the hope for brighter days ahead!



A dramatic landscape at sunset or sunrise. The sky is filled with dark, heavy clouds, with a bright light source on the left creating a rainbow on the far left edge. In the foreground, there are rocky, rugged terrain with some sparse vegetation. In the background, a large mountain range is visible, with a prominent volcano-like peak on the right side. The overall mood is one of resilience and hope.

The path towards recovery is a journey. We do not just resume where we left off before COVID-19. We've been through an emotional experience together. We have grown and changed; our perspectives are altered.

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Need business help? Contact your
local SBDC Counselor in your area.
utahsbdc.org

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