



Strategies for Business Survival

Expense Reduction Strategies

Cash Controls

- Eliminate any expenses not essential to business survival
- Stop buying inventory unless you can sell it with quick turnaround

Leases

- Contact your landlord immediately to discuss reduced rent or rent abatement

Expense Reduction Strategies

Vendor contracts/payments

- Talk with suppliers immediately about whether you can delay payments or other ways you might be able to reduce costs.

Loans

- Talk with anyone you are borrowing from about the possibility of a loan deferral or contract extension.
- Look at your debt load and see if it is possible to restructure your debt to decrease payments.

Expense Reduction Strategies

Utility Costs

Some utility companies are offering COVID-19-related fee reductions.

Staffing Reduction

- Objectively assess your minimum staffing needs and make appropriate reductions in personnel and/or hours worked.

NOTE:

In reducing staff hours and/or furloughing employees, employers must take the lead with WA State ESD in assisting employees with benefits.

Employment Security Department (ESD)

<https://esd.wa.gov/newsroom/covid-19>

Expense Reduction Strategies

Taxes

- Seek emergency relief, both federal and state

WA Department of Revenue:

<https://dor.wa.gov/get-form-or-publication/publications-subject/tax-topics/disaster-relief-taxpayers>

Internal Revenue Services (IRS):

<https://www.irs.gov/businesses/small-businesses-self-employed/disaster-assistance-and-emergency-relief-for-individuals-and-businesses>



Managing cash flow is
critical and requires
immediate action.

Capital Infusion Strategies

Traditional or Disaster Loan

- SBA Economic Injury Disaster Loan (EIDL) Program
 - https://disasterloan.sba.gov/ela/Documents/Three_Step_Process_SBA_Disaster_Loans.pdf
- [Traditional SBA Loans](#) - 7(a) loans, CAPLines, Express Loans, Community Advantage Loan, Microloans
- Alternative Lenders - [Craft3](#), [MercyCorp NW](#), [Business Impact NW](#), [Evergreen Business Capital Community Finance](#), [WAFD](#), etc.
- Personal loans (proceed with caution)
- Same day loans (proceed with extreme caution!)

Capital Infusion Strategies

Business interruption/continuity insurance

- Contact your insurance broker to see what your policy provides

Accounts receivable

- Collect any/all outstanding accounts receivable, but try to preserve important customer/client relationships for future business

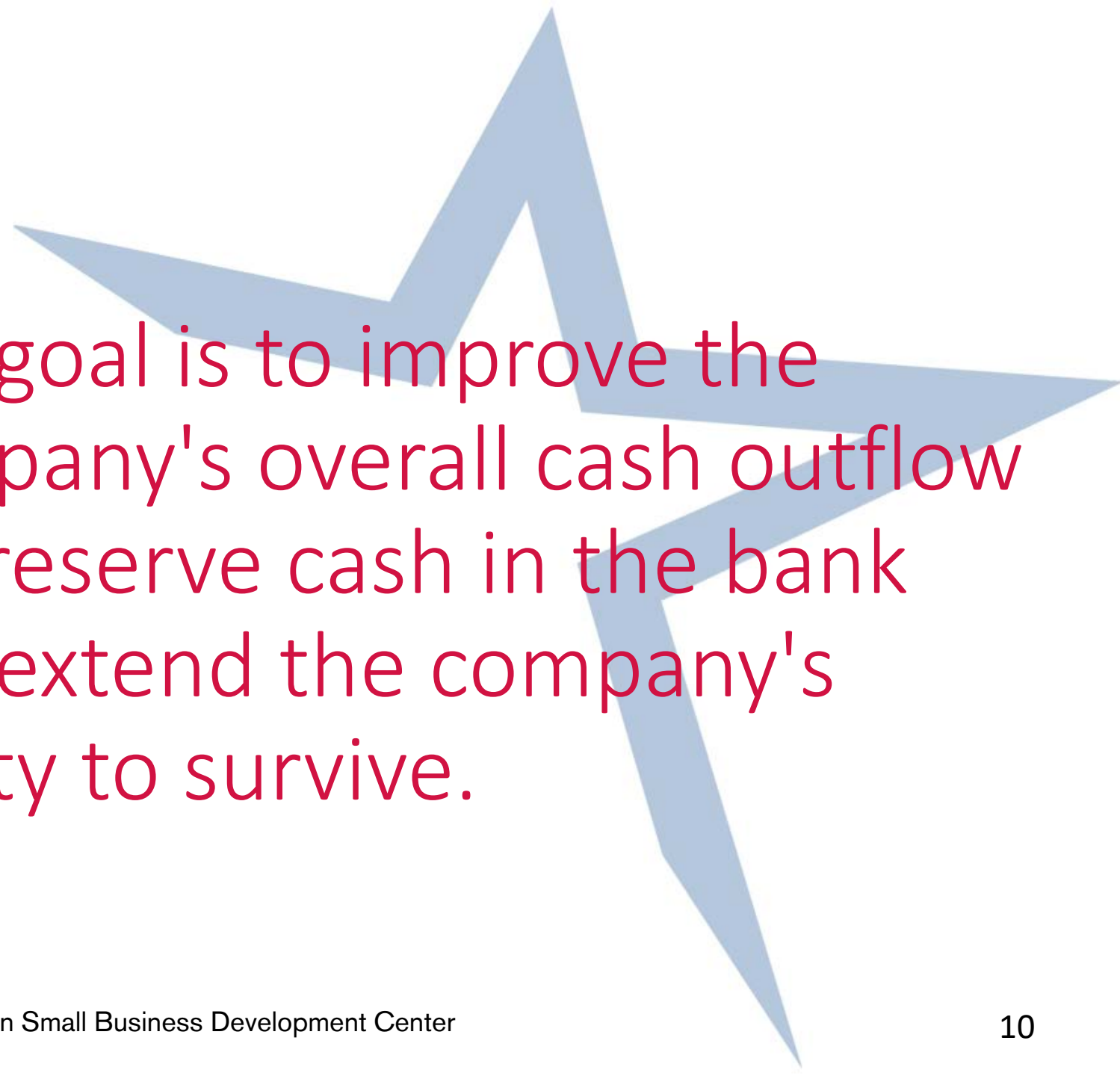
Capital Infusion Strategies

Inventory control

- Take a full inventory and secure it as much as possible.

New markets

- Determine if your business can move any product or services online, or if this current environment offers any opportunities for new revenue streams.



The goal is to improve the company's overall cash outflow to preserve cash in the bank and extend the company's ability to survive.

Communication is Key

- Talk to your employees
 - Do they know and are they following new health and safety guidelines? Are any of them able/willing to reduce hours voluntarily? 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 you use technology, including social media and other digital platforms, to engage and attract customers.

Communication is Key

Talk to your lenders and landlord

- Be realistic about the current situation. Can you defer, extend or lower payments in exchange for a longer loan or lease term or balloon payment later?

Talk to industry colleagues

- What are they doing that seems to be helping in the current situation? Crowd-sourcing solutions may be helpful.

Find the Nearest Advisor:

<https://wsbdc.org/about/our-leadership-staff/>

