Strategies for Business Survival
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.
Cash Controls

- Eliminate any expenses not essential to business survival
- Triage your expenses. What can wait?

Step 1: Leases

- Contact your landlord immediately to discuss reduced rent or rent abatement
- Can you defer, extend or lower payments in exchange for a longer lease term or balloon payment later?
Balance Sheet Assets

Step 2: Bank Accounts

• Know how much cash you have at all times

Step 3: Inventory

• Take a full inventory and secure it as much as possible

• Stop buying inventory unless you can sell it with quick turnaround
Step 4: Accounts Receivables

• Collect any/all outstanding accounts receivable, but try to preserve important customer/client relationships for future business
**Step 5: Short Term**

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

**Step 6: Tax Liabilities**

- Talk with your Tax professional about suspending estimated IRS payments
- New deadline: July 15\textsuperscript{th}, 2020
Step 7: Engaging Your Lenders

- Ask for a 3-month principle and interest deferral
- Look at amortizing your loan to lower your monthly payment
- Look at your debt load and see if it is possible to restructure your debt for lower payments.
- Explore contract extension options

Step 8: Utilities

- Some utility companies are offering COVID-19-related fee reductions.
Step 9: Payroll

• 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
Step 10: IRS and Department of Revenue

- 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](https://dor.wa.gov/get-form-or-publication/publications-subject/tax-topics/disaster-relief-taxpayers)

**Internal Revenue Services (IRS):**
Step 11

Managing cash flow is critical and requires IMMEDIATE action.
Step 12: Cashflow Projection

• Complete 1 year, month-by-month cashflow projection

• This will show you if you have a cash shortfall and when that will occur

• And how much is needed to cover that shortfall

• Your projection will drive your loan
Step 13: Engage Your Lender

• Engage your current lender

• See what they can offer you

• If you have an existing loan, you may be required to obtain your lender’s permission to obtain another loan.
Capital Infusion

Traditional or Disaster Loan

- SBA Economic Injury Disaster Loan (EIDL) Program
- Traditional SBA Loans – Express loans, Emergency Bridge Express Loan, and more
- Alternative Lenders - [Craft3](https://www.craft3.org), [MercyCorp NW](https://www.mercycorp.org), [Business Impact NW](https://www.businessimpactnw.org), [Evergreen Business Capital Community Finance](https://evergreenbusinesscapital.org), [WAFD](https://www.wafd.com), etc.
- Personal loans (proceed with caution)
- Same day loans (proceed with extreme caution!)
Other Items

Step 14: Insurance

- Contact your insurance broker to see what your policy provides

Step 15: 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.
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 suppliers, lenders, and landlords

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.

Talk to your community

Inform your community your new hours of operation and what ways you are having to
It is important to recognize your stress

This is the single most important thing you can do.

YOU ARE NOT ALONE!
Find the Nearest Advisor:
https://wsbdc.org/contact-an-advisor/