There is assistance out there for you

While many small business owners are stressing about getting their financials together to apply for government assistance, they still have to deal with the stress and pain of dealing with the current situation.

You should not, and do not, have to face that alone.

While the current circumstances mean doing less face-to-face business, it does not mean you have to do it by yourself.

At the Small Business Center at Bladen Community College and all of the other NC Community College System schools throughout the 100 counties of North Carolina, we are here to assist you!

This means via email, phone, and even video conferencing if that’s what it takes!

We provide educational/informational opportunities normally on campus, but like everyone else we’ve adapted to providing them online now.

We also provide one-on-one counseling- again, this is being done virtually.

Finally, we work with our resource partners locally, in the state, and nationally to find you what you might need to succeed and in this case, recover.

Please take a moment to read through this outline and if you need guidance with any part, do not hesitate to contact myself or any other director at the Small Business Center Network throughout the state.

Todd Lyden
Bladen Community College Small Business Center
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tlyden@bladenc.edu
910-879-5572
It May Be Hard, But Don’t Give Up

- Running a small business isn’t easy, even during the best of times. According the United States Small Business Association:
  - 30% of small businesses fail within two years.
  - 50% fail within five years.
  - Only 25% of business last 15 years or longer.
- Any small business owner will tell you that running a small business is challenging. When circumstances get tough, running a business becomes an even greater challenge. Throughout the years, many events have occurred that placed a squeeze on businesses:
  - The Great Depression
  - World War I and World War II
  - The Cold War
  - The 2008 housing market collapse
  - The 2020 coronavirus pandemic
- During these difficult times, many small businesses folded under the pressure. They simply weren’t able to keep going. But many businesses have survived these incredibly challenging circumstances. Some of them have even thrived.
- The point is that your business can make it through hard times. You’ll need to get creative. You’ll have to take decisive action. And you’ll need to make tough decisions. But you can do it!

Manage Your Mindset

- If your business is struggling, it’s absolutely essential to manage your mindset. When things get tough, it’s really easy to enter a downward mental spiral.
• As you work to stabilize and turn around your business, it’s important to maintain a positive mindset. A positive mindset also means that you are resolved to not give up.

• Almost every great business leader has endured struggles similar to yours. They are successful because they persevered and were resilient. If you want your business to succeed, you need mental toughness.

• Follow these steps to overcome a negative mindset:
  ○ Pay attention. You need to be able to identify unhelpful mental patterns as they occur.
  ○ Question. As negative thoughts arise, question them. Is what you’re thinking really true?
  ○ Silence. Avoid allowing the same thoughts keep stealing your mental energy.
  ○ Replace. As you shut down your inner critic, fill the silence with positive, helpful dialogue.

• As you push through problems and challenges, remember why you got into business in the first place. Seek to tap into the emotions and desires that originally pushed you to create your business.

Clarify the Problem

• Before you can identify a solution, first clarify the challenge. Take some time to think about how you got to where you currently are.

What happened that you didn’t anticipate? Some common problems businesses face are:
  ○ Market changes
  ○ Failure to understand the target customer or market
  ○ Poor pricing strategy
  ○ Insufficient funds
  ○ Too much growth

• If you want your business to thrive during challenging times, you must be able to put your finger on the primary challenges. If you’re feeling sick and go to the doctor, what’s the first thing they try to do? Determine what is causing the illness. The same principle is true in business.
Focus on Your Customers

- What is at the heart of every business, including yours? Customers. If you don’t have customers, you don’t have a business. When deciding what actions to take to strengthen your business, always keep your customers front and center.

- Before making changes, consider how they will affect the customer experience. If customer experience is one of your key competitive advantages, be especially careful about changes.

- If you do make changes that will directly affect the customer, communicate those clearly. Explain to the customer why you have to make the changes and the outcomes you expect.

- During times of global crisis, it’s especially important to keep the focus on customers. People will remember the actions you take. If you seek to serve your customers, even at the expense of profit, you’ll build up a huge amount of goodwill.

Conduct a SWOT Analysis

- If you want to succeed as a small business owner, you must be willing to honestly evaluate how things are going.

- A SWOT (strengths, weaknesses, opportunities, threats) analysis provides you with a framework for analyzing your business.
  - Strengths. These are the things you have control over and are working well in your business. Focus on and try to develop these areas further.
  - Weaknesses. These are the things that aren’t working well in your business. Your goal is to change or eliminate these things so that they don’t continue to damage your business.
  - Opportunities. These are external factors that have the potential to benefit your business. The more you can capitalize on these opportunities, the more success you’ll have.
  - Threats. These are external factors that could possibly hurt your business. Avoid these things or adapt to them.

- Performing a SWOT analysis is hard work. But this clear-headed analysis will help you overcome your weaknesses, capitalize on your strengths, and take advantage of unique opportunities.
Create Objectives and a Plan

- Once you’ve done a SWOT analysis, determine the objectives you’ll pursue and create a plan for achieving those objectives. This will give you the clarity you need to move forward.

- Start with your strengths. How will you double down on the things you’re already doing well? Then look at your weaknesses. How can you change, minimize, or even eliminate these areas?

- Move on to opportunities. Is there a new market you can move into? Can you implement a new technology that will help you be more efficient?

- Finish with threats. How will you avoid or adapt to those things that could hurt your business?

- Remember to create both objectives and a plan for how you’ll meet those objectives. Your objectives need to be:
  - Measurable. You must be able to determine whether you’ve hit your objective.
  - Achievable. Be realistic in your goal setting.
  - Timely. Set a specific date by which you’ll meet your objectives.

Reduce Costs

- If you want your business to survive and thrive during difficult times, you may need to reduce your costs. However, be careful and precise as you do this. Cut costs too much and your business may have a hard time recovering. Cut costs too little and you won’t free up enough cash to keep your business going.

- Start by cutting discretionary costs. These are costs that aren’t necessary to run your business. Business lunches are a good example of a discretionary cost. Next, look at ways you can reduce costs but still achieve the same outcomes. Can you reduce travel costs by using videoconferencing technology?

- Next, consider your office space costs. Your landlord may be willing to lower your rent or even create a new lease for you. If your landlord won’t reduce your rent, consider moving to a less expensive building.

- Also take a close look at your supply chain. Some of your suppliers may be willing to give you discounts.

- At some point, you’ll need to think about reducing staffing costs. This is hard for every business owner. Before you lay people off, look for ways you can reduce employee hours or compensation. If a reduction in hours or compensation isn’t enough, reduce workforce.
Manage Your Cash Flow

- Each month you have cash coming into your business and cash going out of your business. Not having enough incoming cash is one of the biggest reasons small businesses go under.

- This means you need to pay very close attention to your cash flow. If you have negative cash flow, you’ll need to make up the difference in the next month. A quick way to evaluate your cash flow:
  - At the end of the month, add up your total sales.
  - Total all purchases that you still must pay for.
  - Calculate the difference.

- If you find yourself struggling with cash flow, you do have some options:
  - You can sell assets to bring in additional cash.
  - You can get a working capital line of credit.

- As much as possible, stay abreast of your cash flow. Send out invoices in a timely fashion and follow up with customers who fall behind on payments. Pay your own bills on time and try to plan accordingly for purchases.

Meet with an Accountant

- As you work to stabilize and strengthen your business, you would be wise to meet with a certified accountant. They can help you implement money-saving tax strategies. There are a number of specific actions you can take to reduce your tax burden.

- An accountant may be able to help you secure financial assistance from the local, state, or federal government. Because small businesses are good for the economy, many government agencies are willing to provide financial aid for struggling businesses.

- Finally, an accountant can help you think through critical financial decisions. Many business owners struggle to absorb all the financial details about their company. An accountant can crunch all the numbers for you and then provide you with relatively easy-to-digest reports.
Use Low-Cost Marketing

- Marketing is a double-edged sword. It costs money to get your company name out there, and money you spend on marketing can’t be spent on essential things like payroll and bills. On the other hand, if you stop doing marketing, you connect with fewer customers, which also decreases available funds.

- So, what should you do when your business is struggling? Use low-cost marketing to simultaneously cut your budget and increase your efforts. Traditional advertising methods such as television, radio, and billboards tend to be pretty expensive. Other, less expensive techniques can be just as effective.

  - For example:
    - Regularly ask your existing clients for referrals.
    - Join local business networking groups.
    - Write guest blog posts for websites in your industry.
    - Appear on podcasts.
    - Sponsor local events (charitable, sporting).
    - Host events or classes (locally or online).

Be Persistent, Be Creative, and Pivot

- Successful businesses persist through challenging times and come up with creative solutions to difficult challenges. Sometimes they even pivot to a completely different business model.

- Polaroid is an example of a company that didn’t approach problems with persistence or creativity. As digital photography began to take over in the late 90’s, Polaroid executives continued to insist that people wanted hard copy photos. As a result, they were forced to file for bankruptcy in 2001.

- Yelp, on the other hand, used creativity and persistence to overcome difficulties. The service started as a platform for getting recommendations from friends, but they couldn’t seem to get much traction. They pivoted to focus on making it easy to write business reviews and the rest is history.

- Even in the worst circumstances, there are still options. During the coronavirus pandemic of 2020, many companies pivoted in big ways:
  - Anheuser-Busch began manufacturing hand sanitizer.
  - Hanes started producing medical masks.
○ Lyft used their huge fleet of cars to deliver medical supplies.

● How can you pivot in your business, so you stay afloat and meet the demand of your clients?
   There are numerous ways you can pivot your business:
   ○ Utilize new sales channels.
   ○ Segment your customers.
   ○ Focus on a feature.
   ○ Change your revenue model.
   ○ Change your pricing and positioning.
   ○ Adopt new technology.

● The reality is that every business faces challenges. These difficulties don’t need to sink your business. Don’t give up. Persistence produces success.
Situation Resources

The best place to start in North Carolina is the NC Small Business Center Network at

WWW.NCSBC.NET

Currently, you can find Covid-19 information at this page:


However, our partners in the state have great resources as well:

Small Business Public Resource Providers

- SBTDC COVID-19 Resources
  http://www.sbtdc.org/coronavirus/
- Business Link NC (BLNC)
  https://edpnc.com/start-or-grow-a-business/start-a-business/

Public Sector and Government Procurement Resources:

- PTAC
  http://www.nc-ptac.org/
- NC Military Business Center
  http://www.ncmbc.us/