Business Crisis Toolkit:

Control What You Can During COVID-19

**CONTENT UPDATED 4/23/20 to modify insurance guidance**

“Luck is what happens when preparation meets opportunity.”

-Seneca  Roman philosopher (5 BC-65 AD)
Agenda

• Guidance for Entrepreneurs
• Funding Resources
• CyberSecurity – SCAM ALERT
• Resources Available
The Top Line Takeaways

Pivot  Market
Communicate Honestly  Market
Preserve Cash  Operations

Remember: Every Decision Made Impacts Financials
Jason Nitschke; MA, EDFP

Vice President/Regional Director - Great Falls SBDC

Education
- 1997 -- University of Montana – BA Journalism/Pol. Sci.
- 2002 -- Hawaii Pacific University – MA Communications

Certifications
- 2017 -- Certified Export Counselor
- 2017 -- Certified Profit Mastery Facilitator
- 2015 -- Economic Development Finance Prof. (EDFP)
- 2015 -- Accredited Small Business Consultant (ASBC)
- 2015 -- Certified Business Advisor (GrowthWheel)

Entrepreneurship
- 2000-2002 -- JNitschke Photography; Denver, CO
- 2011-2012 -- Carondelet Estate Services, LLC; St. Louis, MO

Bureaucracy
- 2013-2014 – Analyst, State of Illinois
Guidance for Entrepreneurs

Access to Capital – look close first

• Evaluate Current Assets – Cash, A/Rs, Inventory
  • Cash, Cash, Cash – preserve it and access it
  • Offer discounts for early payment to convert sales to

• Lines of Credit w/ Existing Bank Partners
  • Draw them down & Assume contraction from lenders
Guidance for Entrepreneurs

Access to Capital – look close first

• Consider Equity Injection
  • Family
  • Friends
  • Personal – Paid In Capital or Loan to Business
Guidance for Entrepreneurs

Review Insurance Policies

• Business Disruption Coverage?
  • Review for exclusions
    • Some include **pandemic** exclusions
  • **WAIT TO FILE A CLAIM!!!**

Guidance for Entrepreneurs

Control Variable and Fixed Costs

• Variable Costs — Expenses that rise and fall in direct correlation to sales volume
  • Cost of Goods Sold & Labor
    • “Job Attached Layoff”
    • Have employees file for unemployment at [https://montanaworks.gov/](https://montanaworks.gov/)
  • What are they for your business?
  • Move from biggest dollar amounts to smallest — What can be cut?
Guidance for Entrepreneurs

Control Variable and Fixed Costs

• Fixed Costs — Expenses that do not change related to sales volume
  • Rent Payments — Communicate with your landlord
  • Debt Service — Again...communicate
    • Is interest-only or deferment an option?
Guidance for Entrepreneurs

Control Accounts Payable

• Vendors — Slowing cash out is another source of capital
  • Longer payment terms?
  • Consider early payment if discounts are an option
    • And if you can afford it
Guidance for Entrepreneurs

Review Cash Flow More Frequently

• Income Statements, Balance Sheets, Cash Flow Statements
• Understand Break-Even
• Know Your Ratios
• Act in Real Time

No bookkeeping software?

https://docs.google.com/spreadsheets/d/1skN34aVU4fqp2imqLbdMbuBnEdUAqQAchMifSrrkego/template/preview?usp=drive_web
Funding Resources

Look Close to Existing Relationships

Yourself – Equity or Debt

Family/Friends – Equity or Debt

Existing Bank Partners – Debt

Existing Lines of Credit & Credit Cards - Debt

Gap Lenders - Debt
Disaster assistance

The SBA provides low-interest disaster loans to help businesses and homeowners recover from declared disasters.

APPLY FOR ASSISTANCE
Funding Resources

https://www.sba.gov/funding-programs/disaster-assistance

What Will You Need to Apply?

Everything a standard loan application would also require

- Tax returns, PFS, Organizational dox, Affiliated business dox, Debt Schedule
- Proof of economic injury tied to COVID-19
- Credit-worthiness will be addressed

"First in, First out"
Funding Resources

https://www.sba.gov/funding-programs/disaster-assistance

Timeframe?

Once application is deemed 100% complete
2-4 weeks to determination (approved or disapproved)
3-4 months to fund ***IF APPROVED***

**IMPORTANT**: Banks can categorize internal, immediate Working Capital loans as ‘bridge’ loans now and be paid off when Disaster Assistance loan is funded.

Banks are being told, “please do so.”
CyberSecurity – Scam Alert

John Sileo – CyberSecurity Expert

https://www.youtube.com/watch?v=FK9Nk7WqFLU&feature=youtu.be
Resources Available

GFDA’s Business Crisis Toolkit: https://files.constantcontact.com/3e765937001/73de8eee-c62e-47f6-a1ad-e1825de86b0c.pdf

U.S. Small Business Administration: https://www.sba.gov/

America’s SBDC: https://americassbdc.org/coronavirus-information/

MT Small Business Development Center Network: https://sbdc.mt.gov/

MT Department of Labor & Industry: http://dli.mt.gov/employer-covid-19
The Last Word

Contact Trusted Advisors

Banker
Accountant
Insurance
Lawyers
Business Advisors

Funded in part through a Cooperative Agreement with the U.S. Small Business Administration.
The Last Word

Funded in part through a Cooperative Agreement with the U.S. Small Business Administration.

https://sbdc.mt.gov/

Regional Offices:

Billings Center: 406.254.6014
Bozeman Center: 406.994.5885
Butte Center: 406.533.6780
Great Falls Center: 406.750.0314
Havre Center: 406.399.1557
Helena Center: 406.447.6376
Kalispell Center: 406.756.3838
Miles City Center: 406.874.6168
Missoula Center: 406.243.4770
Wolf Point Center: 406.853.2590
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Please Share Ideas With Us

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