



**COVID-19 BUSINESS**  
**HIBERNATION**  
**TOOLKIT**

17 April 2020

Presented By:

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*hibernatus* < *hibernus*, wintry.]

**hi·ber·nate** (hī'bər-nāt') *intr.v.* -nat·ed, -nat·ing, -nates.

1. To pass the winter in a dormant or torpid state. 2. To be in an inactive or dormant state or period. [Lat. *hibernare*, *hibernat-*, to winter < *hibernus*, wintry.] —**hi'ber·na'tion** *n.*

—**hi'ber·na'tor** *n.*

**Hi·ber·ni·an** (hī hîr'nē-ən)

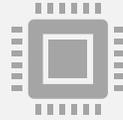
**win·ter** (wīn'tər) *n.* 1. The usually coldest season of the year, occurring between autumn and spring, extending in the Northern Hemisphere from the winter solstice to the vernal equinox, and popularly considered to comprise December, January, and February. 2. A year as expressed through the recurrence of the winter season. 3. A period of time characterized by coldness, misery, barrenness, or death. —**modi·fier**: *winter grains; a winter crop; winter clothing.* —*v.* -**tered**, -**ter·ing**, -**ters.** —*intr.* To spend the winter. —*tr.* To lodge, keep, or care for during the winter: *wintering the sheep in the stable.* [ME < OE.]

the cultivated European plant

Hibernation may help you weather the downturn and gives some the opportunity to redefine or strengthen their business.



Work with your BAIL Team



Map your Productive Assets



Address your Supply and Demand Sides



Self-Reflection and Forward Planning

As you begin preparing for hibernation mode, reach out to your BAIL team.



Bankers



Accountants



Insurance Agents



Lawyers

# *Mapping Your Productive Assets*

**What basic assets and “things” enable you to produce the goods or services you sell?**



## **PHYSICAL ASSETS**

(LAND, BUILDINGS, MACHINERY,  
COMPUTERS—THINGS YOU CAN  
TOUCH)



## **HUMAN CAPITAL**

(YOUR EMPLOYEES, YOURSELF,  
YOUR BUSINESS TEAM, ETC.)



## **FINANCIAL ASSETS**

AND/OR LIABILITIES (YOUR BANK  
ACCOUNTS, YOUR LINES OF  
CREDIT, YOUR SHORT AND  
LONG-TERM DEBT, YOUR  
ACCOUNTS RECEIVABLE)



**As you identify what is needed to hibernate those “things,” make sure to keep a list of what you are doing. A list will help you create a corresponding list to follow to turn things back on:**

- *If you adjust your insurance coverage to accommodate your business hibernation, you’ll need to make sure to adjust it back.*
- *If you are shutting down a restaurant, what will you need to open it back up? Will you need to do a deep clean or have the county sanitarian stop by?*



**As you prepare to address your suppliers and customers, begin to outline how long it will take to ramp things back up—be in discovery mode when addressing your supply and demand side:**

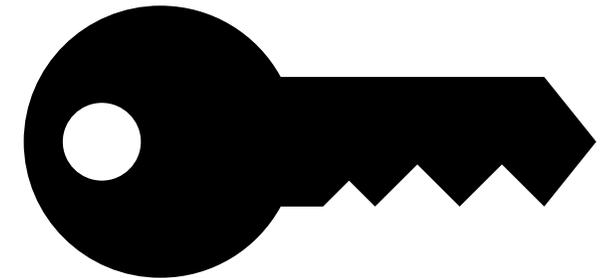
- *How long of a lead time will you need with your suppliers to get things going again?*
  - *Will order sizes, product availability, and logistics time change?*
  - *Will payment terms change?*
- *What will it take to start supplying customers again?*
  - *When will you need to turn things back on--two days before sales, three weeks?*
  - *What will need to be done to get word to customers you are back and open for business?*

# Supply Side

**#1. Identify Key Suppliers, Service Providers, and Providers of Physical Assets**

**#2. Communicate with the Keys**

- Mindset
- Action
- Reflection

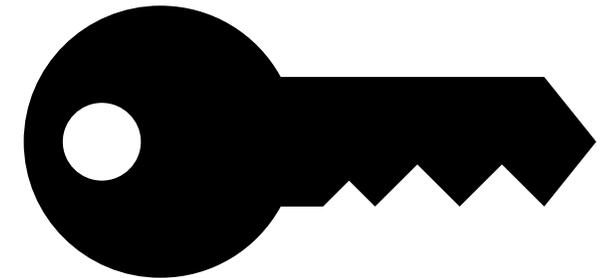


# Demand Side

**#1. Identify Key Customers or Key Consumer Clusters**

**#2. Communicate with the Keys**

- Mindset
- Action
- Reflection



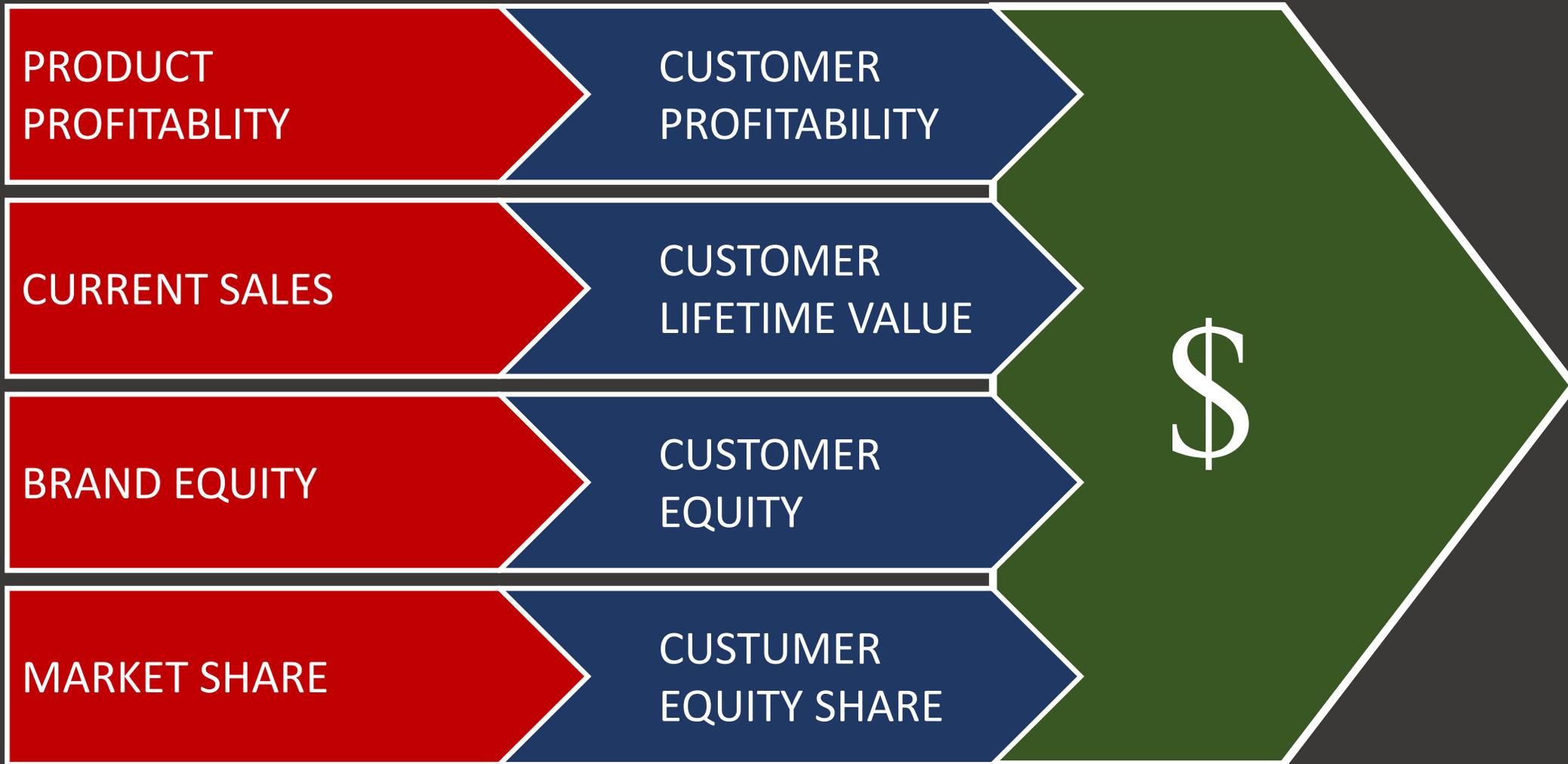
# Demand Side

## Deeper Reflection

**Have you been in a product or consumer mindset with your business?**

**Now more than ever you need to get in a customer mindset!**

# A CUSTOMER MINDSET IS VITAL



SOURCE: Roland T. Rust, Christine Moorman, and Gaurav Bhalla. "RETHINKING MARKETING." *HARVARD BUSINESS REVIEW*. JANUARY-FEBRUARY 2010.



# ENSURE SOUND FINANCIAL MANAGEMENT

**As you work through your changing cash flow structure for the foreseeable future, it is helpful to utilize a 13 week rolling cash flow.**



**The Food Finance Institute at the University of Wisconsin provides a sound spreadsheet, written guidance, and a video featuring a seasoned executive and founder:**



**<https://edible-alpha.org/courses/13-week-rolling-cash-flow/>**

# ENSURE SOUND FINANCIAL MANAGEMENT



- How sound was your business before the pandemic downturn (be honest)?
- If your business was producing sound cash flow and was profitable, what will need to be done to return to that profitability?
- If your business wasn't producing sound cash flow and was not sufficiently profitable, what needs to be done to improve your business cash flow and profitability?
- Were you focused on driving profitability before the downturn?
- Who were/are your customers?



**Financial management and other quantitative elements of your business are important, but qualitative aspects are vital as well. During hibernation, one has an opportunity to attempt to:**

**Understand Change**

**Understand Yourself**

**Understand Your Business**



# **Begin to Understand Change**

**Begin by trying to understand how you, yourself, have changed during the pandemic downturn.**

**Then put yourself in the shoes of your business, your suppliers, and your customers.**

**Then reflect on those changes in relation to the pre-pandemic period.**



# Begin to Understand Change

The useful design thinking approach of Rose, Thorn, and Bud can be helpful:

*Rose (something positive)*

*Thorn (something negative)*

*Bud (something promising)*

*(Maybe think through these for other businesses and industries as well)*



# **Begin to Understand Yourself & Your Business**

**Here is where one needs to lead with empathy. Finding strength and vision through empathy is one of the most important concepts to keep in mind moving forward as our economy and society emerge from this shared challenge.**

**Business owners who practice empathy focused thinking and keep themselves in a customer mindset will be able to respond to changing market dynamics within and outside of their business.**

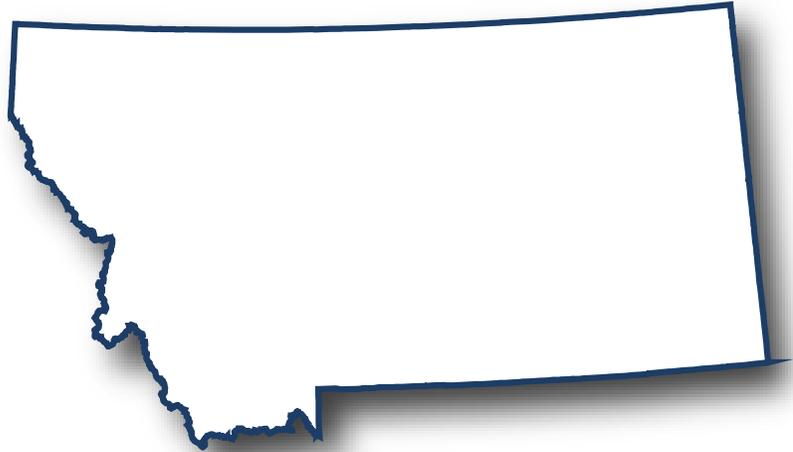


# **Begin to Understand Yourself & Your Business**

**How are you doing? Are you taking care of yourself? How have you changed?**

**Why did you start your business? Did you have a dream, was it out of necessity, did you come up with an innovative idea and run with it?**

**What value do you provide to your customers? Why do they do business with you?**



# **Begin to Understand Yourself & Your Business**

**What values do you feel your business represents?**

**If your business was a person, what would that person be like? How would people describe the person?**



# **Begin to Understand Yourself & Your Business**

**At the core of your business is just that, a core which is key to providing your value proposition and the things which make your business real.**

**Understanding your core and looking at it with a critical eye—especially now—is important.**



# **Begin to Understand Yourself & Your Business**

**Your core is the heart and brain of your business that can outwit others and keep going. Do you know your core?**

- **What value does your business provide to customers? What is your value proposition?**
- **Look at the assets and business practices you have and ask yourself what makes you strong and what makes you weak.**

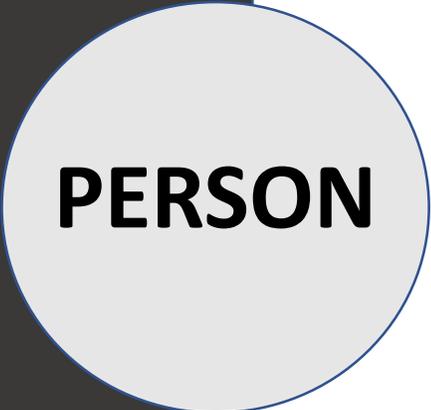


# **Begin to Understand Yourself & Your Business**

**Imagine you are looking to try to sell your business for the highest amount possible to a buyer or you are trying to secure investors and financing. How would you describe the way in which your business is defensibly unique, what is at your core that defends against competition and makes you special, what is your value proposition?**

“PEOPLE SAY WHAT WE’RE ALL SEEKING IS A MEANING FOR LIFE. I DON’T THINK THAT’S WHAT WE’RE REALLY SEEKING. I THINK THAT WHAT WE’RE SEEKING IS AN EXPERIENCE OF BEING ALIVE, SO THAT OUR LIFE EXPERIENCES ON THE PURELY PHYSICAL PLANE WILL HAVE RESONANCES WITHIN OUR OWN INNERMOST BEING AND REALITY, SO THAT WE ACTUALLY FEEL THE RAPTURE OF BEING ALIVE.”

-joseph campbell



**PERSON**

Fiddle with your keys.



Know your value.



Be empowered by your core.

[www.sba.gov](http://www.sba.gov)

<http://dli.mt.gov/employer-covid-19>

<https://sbdc.mt.gov/>

<https://agr.mt.gov/FADC>

[www.growgreatfalls.org](http://www.growgreatfalls.org)



**resources**



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