

## 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)*



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

# Agenda

- Guidance for Entrepreneurs
- Funding Resources
- CyberSecurity – SCAM ALERT
- Resources Available

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# The Top Line Takeaways

Pivot

Market

Communicate Honestly

Market

Preserve Cash

Operations

*Remember: Every Decision Made Impacts Financials*

# Jason Nitschke; MA, EDFP

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Vice President/Regional Director - Great Falls SBDC

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## 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



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## 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



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# 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!!!**
  - Additional details: <https://www.cnn.com/video/2020/03/19/insurance-coverage-small-business-coronavirus-squawk-box.html>



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# 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/>
  - What are they for your business?
  - Move from biggest dollar amounts to smallest — What can be cut?



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# 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?

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# Guidance for Entrepreneurs

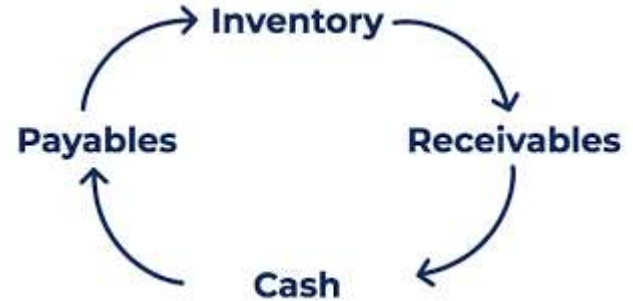
## Control Accounts Payable

- 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/1xkN34aVU4fq2imqLBdMbuBnEdUAqQAchMifSRrkego/template/preview?usp=drive\\_web](https://docs.google.com/spreadsheets/d/1xkN34aVU4fq2imqLBdMbuBnEdUAqQAchMifSRrkego/template/preview?usp=drive_web)

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# 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

# Funding Resources



U.S. Small Business  
Administration

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

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## Disaster assistance

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

[APPLY FOR ASSISTANCE](#)

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# Funding Resources



U.S. Small Business  
Administration

<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"

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# Funding Resources



U.S. Small Business  
Administration

<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>



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## 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>

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# The Last Word

## Contact Trusted Advisors

Banker

Accountant

Insurance

Lawyers

Business Advisors

# The Last Word



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Rich is on the front lines of our business coaching and training services to existing businesses and startup entrepreneurs in Cascade, Fergus, Glacier, Judith Basin, Pioneer, Teton, and Toole counties.  
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Tyler oversees GFDMA's content marketing efforts. He also counsels small business owners to innovate their digital presence and marketing efforts.



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Small business and entrepreneurial development are important to the GFDMA. Jason leads our business coaching team helping entrepreneurs start and grow.



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Barnett leads our efforts to grow and diversify food, ag and bioprocessing across the region. He also supports efforts to increase and diversify agricultural production in the Golden Triangle.



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Lillian leads our Procurement Technical Assistance Center helping businesses with government contracting. She leads our brownfield assessment and cleanup efforts, and also staffs the Great Falls Agritech Park.  
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**Shannon Clancy**  
Government Contracting Advisor  
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Shannon splits her duties between our Procurement Technical Assistance Center (PTAC), helping businesses with government contracting, and our business development team handling our various company and contact databases.

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

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- [Wolf Point Center:](#) 406.653.2590



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[GrowGreatFallsMontana.org](http://GrowGreatFallsMontana.org)

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## Please Share Ideas With Us

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