



# **GUIDE TO CONQUERING A BUSINESS DISRUPTION**

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- Cash Management
- Pricing and Cost Containment
- Supply Chain Management
- Marketing

# CASH MANAGEMENT

- Prioritize who to pay first.
- Have conversations with vendors to ask for longer payment terms or partial payment.
- Have financial records in one, easily accessible place and review them daily.
- Review financial information and forecast cash needed to operate the business. Know your financial data well. Don't rely on your CPA to tell you how the business is going.
- Address problem areas where costs are out of line.
- Regularly review customer accounts and have solid credit policies in place.
- Place slow pay customers on COD or pre-payment.
- Require cash payment at time of sale.
- Talk to lenders about renegotiating existing loan terms and interest-only payments for a while.
- Keep payment promises (Don't make promises you can't keep).
- Work with federal and state government agencies about payment of past due and coming due taxes.
- Don't ignore collection letters from federal and state government agencies. They can freeze your bank accounts, cutting off access to cash.
- Have a line of credit in place, review it annually and adjust as needed.
- Sell unproductive assets now. Don't wait until a crisis.
- Consider business credit cards, but understand the risk.
- While no one enjoys laying people off, have a plan to reduce labor if needed. Check with the Missouri Department of Labor about unemployment programs available to business owners in distressing economic times.
- Reduce embezzlement opportunities by limiting check signing to the owner or requiring two check signers. Examine payroll records for accuracy and reconcile bank statements and credit card registers daily.



# PRICING & COST CONTAINMENT

- Reduce unnecessary expenses like travel, entertainment and other areas that do not contribute to revenue generation.
- Review personnel requirements. Are vacant positions are really needed? Can duties of vacant positions be divided among other employees or performed by part-time workers or temporary workers? A lean workforce before a crisis, will help you survive.
- Eliminate discounts and giveaways.
- Review pricing and value. Don't cut prices in panic mode.
- Discuss rent reduction with your landlord.
- Consider renting unused space to other business owners.
- Negotiate discounts with vendors, when possible. Remember, trying times impact them too. They may be willing to offer short-term discounts they otherwise wouldn't.

Contact your local Missouri SBDC office for assistance with any of the items in this guide. With offices across Missouri, there is an office near you. A complete list of offices is available at the end of this document.

# SUPPLY CHAIN MANAGEMENT

- Review inventory levels regularly. Conduct inventory at least monthly.
- If your POS system has an inventory management feature, enter products as they come in. Your POS system will provide daily inventory information.
- Eliminate slow sellers when reordering and liquidate products that have been in inventory beyond 90 days.
- Consider adding items with faster turn times.
- Look for vendors that provide a just-in-time option for ordering products.
- Stay engaged with your suppliers. Don't wait until a crisis.
- Assess operations and capacity. Adjust as needed.



# MARKETING

- Identify key target customers and consider a “niche focus.”
- Reassess your marketing strategy.
- Consider redistribution of marketing expenditures.
- Communicate regularly with customers to keep relationships:
  - Customer support, business hours, services, special order needs, promotions
- Strengthen digital communications and online presence.
  - Use multi-channels to reach your audience: social media, email, website, text, etc.
  - Develop/update online profiles
  - Update your website
- Use Technology to expand services:
  - Facebook Live, video, e-commerce sites, payment and services apps, video conferencing, chat box, networking, etc.
- Watch for new trends and look for opportunities to provide solutions.



## ABOUT THE MISSOURI SBDC

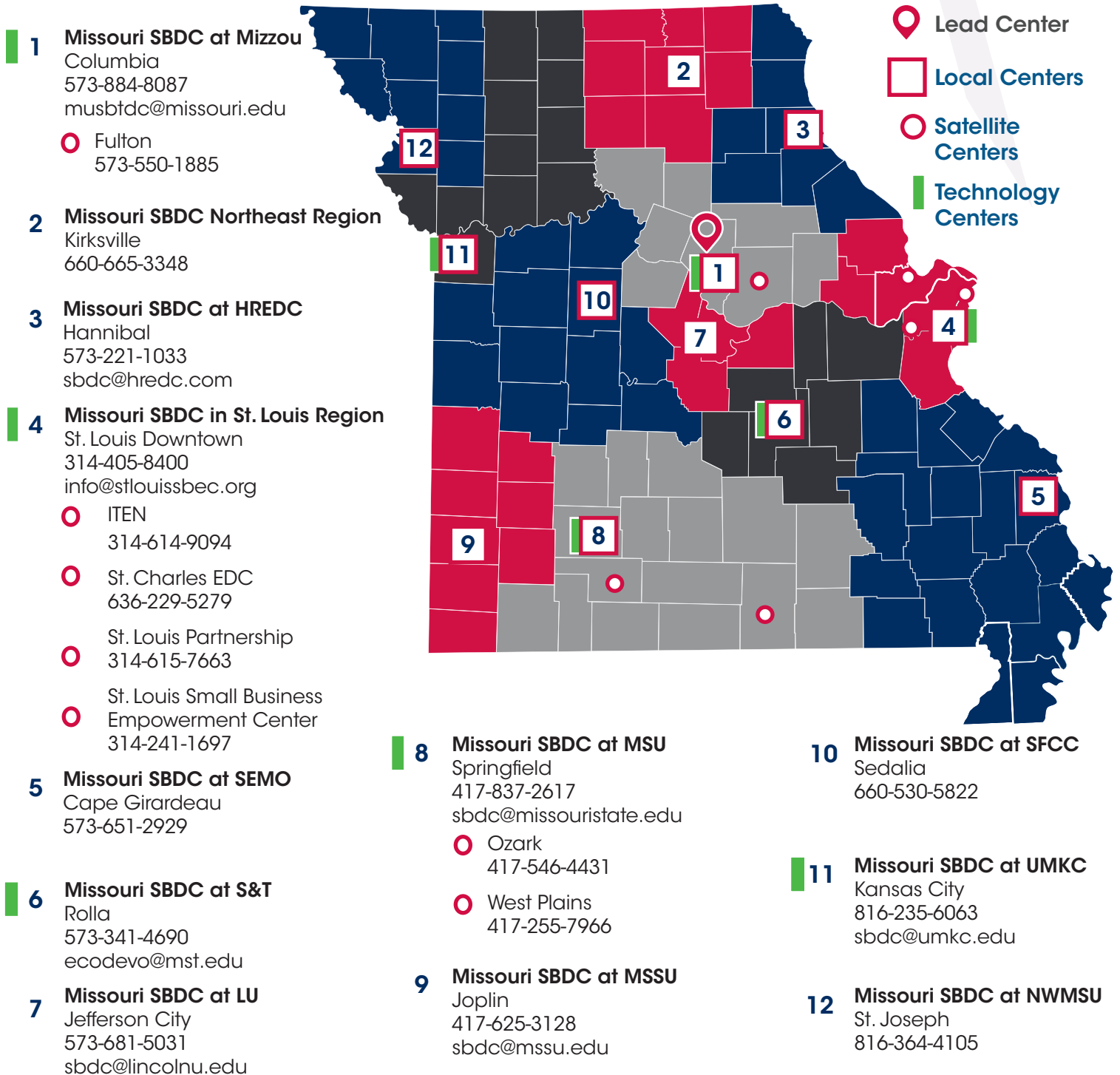
The Missouri Small Business Development Center (SBDC) helps business owners make confident decisions.

Our knowledgeable and helpful professionals offer training and personalized assistance focused on your business success.



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