

**A  
REOPENING  
TOOLKIT  
FOR SMALL  
BUSINESSES**



FOR THE LIFE OF YOUR BUSINESS

**GREATER CHICO AREA**

## Small Business Owners

### Brace For The Worst



**77%**

are "very worried" about the economic impact of the coronavirus outbreak



**54%**

expect the US economy to fall into recession during the next 12 months



**49%**

say customer demand is down

Source: National Small Business Association Impact Poll, March 2020

The impact of COVID-19 has been shocking and difficult for small businesses. We still face many, many uncertainties. However, as we shift our mindset from reaction to the pandemic to recovery from the pandemic, it is time to prepare our businesses to reopen in a new, and still evolving market environment.

That's the purpose of this Toolkit.

This is an effort by the Greater chico Area SCORE mentors to provide the best thinking we can on how you can take steps now to help your business survive and prosper. We don't know what that looks like for your business, but we're prepared to help you think it through.



# REOPENING TOOLKIT FOR SMALL BUSINESSES

## 4 Steps :

1. Assess

2. Account

3. Plan

4. Communicate

One sure thing that's going to have to change is your method of doing business. You have to think of yourself as an essential or non-essential business, how you interact with the public and what new needs your customers will have.

- Are you a no, low, medium or high-
- human-contact business?  
Can you run all or a part of your business online NOW, or do you need to wait for permission to open from the state or town where you do business.?

As you plan your reopening, focus on what we call the BIG QUESTIONS that will lead you to your plan. These are the elements that you should look at more carefully with your SCORE mentor and other business advisors. In particular, focus as soon as possible on looking at your cash flow, with several scenarios based on different reopening dates.

What do you need to do in order to make it happen, and what does your cash flow look like once you do?

## START WITH 2 BIG QUESTIONS

What's the current status of your business?

1. Closed    5. Partially Open    10. Fully Open

How much physical interaction do you need to have with your customers?

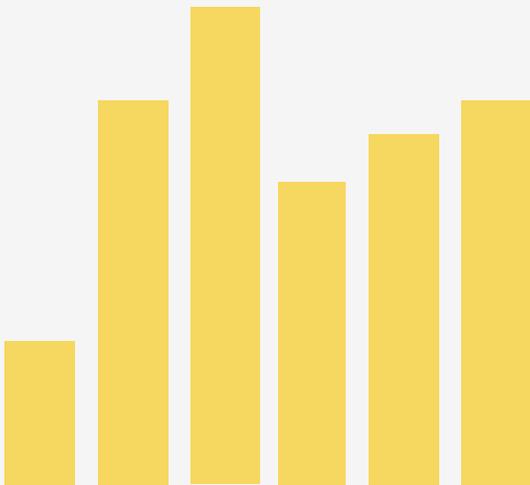
1. Little    5. Moderate    10. Fully Engaged

# ASSESS

Understanding  
that will drive  
your future  
business

**SCORE Cash Flow Spreadsheet**

[Download Excel Spreadsheet](#)



Before you can plan you need to fully understand the state of your own business as well as the state of mind of your customers. Take the time to dig in.

1. What will be important to your customers as you reopen? Do they have fears? Will they be reluctant to engage with your business? List all the potential barriers that your customers may have.
2. How are you really doing financially? To fully understand how you can operate in the future, you need a cash flow forecast. Create different versions: an optimistic model, a likely model and a low income model. Play with the timing of reopening and customer returns. An easy way to do this is to use SCORE's Excel Cash Flow Spreadsheet (all the formulas are there--you just need to input the numbers and play with a range of variations). While a forecast is always your best guess, take steps to make it as accurate as possible.

Gather past financial records, including leases, 2017/18 business and personal tax returns, 2019

- o business returns. Not available? Use your 12/31/19 P&L and Balance Sheets (you'll need these if you plan to speak with lenders).
- o In your various versions, consider your expenses and group them into 3 groups: must have, nice to have, don't need
- o Include your payroll again

# ACCOUNT

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## What Do You Need To Survive ?

How much cash infusion do you need ?

After reviewing your cash flow options , it will become apparent how much cash you ' ll need to reopen and to cover you for the first few months . You ' ll need to make some hard decisions .

RULE # 1 : Cut early !

RULE # 2 : Cut BIG !

RULE # 3 : Double your initial estimate ! It's far better to assume a slower start and longer recovery and then adjust for a better situation than the reverse. Second or even third rounds of cuts are even more devastating to your company , your employees ... and yourself .

What are your customers telling you ?

We can all reopen our businesses but if our customers don ' t engage , we can ' t succeed .

- Do you need to rethink your retail layout to accommodate social distancing ? Are there new cleaning / disinfecting policies that you need to enact ? Should you be doing more of your business online ? Where do you hold your client meetings ?



# PLAN

## STAFFING

- What level of staffing do you need to
  - reopen?
  - Short-term? Intermediate-term?
- Long-term?
- Will your staff be available?
  - What do your employees need right now?
  - Whole or partial reimbursement for lost wages?
  - Equipment, supplies or assistance to work from home at the level you want and need?
  - Can you put staff to work in other capacities?
  - Be HUMAN  
Your loyalty and honesty now will impact your future
- Ask them to brainstorm with you like
  - Explain your decision process where you can

## TRAINING/RETRAINING

What kind of training will you need?

And how much?

Prepare you and your team for the "new normal" as soon as possible. Train while you're still closed if possible.





# PLAN

Make sure all  
the parts fit  
together .

## SUPPLY CHAIN DISRUPTION

- Contact all your suppliers to ensure
  - that they are (or will be) open and are
    - able to ship your orders
    - Renegotiate terms as needed
    - Source new suppliers when needed
  - to meet financial and quantity/delivery timing goals
  - Be a team player. You need these
    - people as much as they need you
    -

## INVENTORY MANAGEMENT

- How do you handle out of date/seasonal merchandise?
  - Return?
  - Markdown?
  - Hold until next season?
  - Sell to other suppliers?
  - Sell online via outlets like EBay
  - What are the "right" levels of new

inventory?

Is your inventory perishable/time specific or can you afford to buy larger quantities and store?

What turn rate do you need on specific items to ensure success?



# COMMUNICATE

## Communicate Your Plan

### TO WHO ?

- Creditors / lenders
- Landlord / utilities / insurance
- companies
- Current Customers
- Potential Customers
- Employees

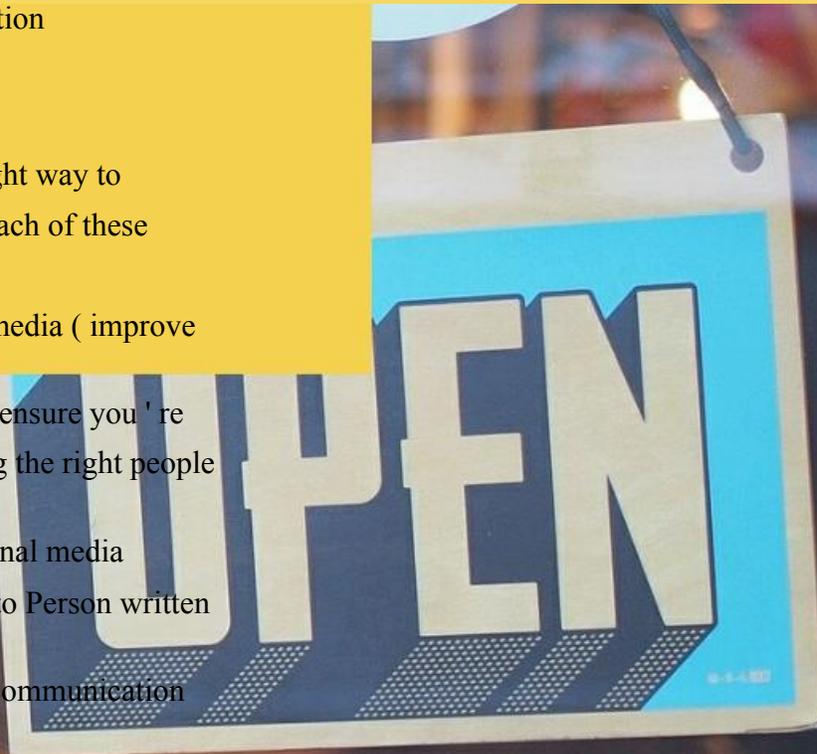
### WHAT ?

- Create a relevant message
- for each
  - Think about what 's most important to them
  - Reaffirm your Value Proposition

### HOW ?

What 's the right way to connect with each of these groups ?

- Social media ( improve your SEO to ensure you 're reaching the right people )
- Traditional media
- Person to Person written or digital communication



SHOP

# YOU DON'T HAVE TO DO THIS ALONE

The Greater Chico Area Score Chapter has volunteers ready to assist you. They can help you answer questions and assist you in developing the plan that is best for your business.



Request a mentor: [www.score.org](http://www.score.org)

Join SCORE: [www.score.org/volunteer](http://www.score.org/volunteer)