GUIDE TO CONQUERING A BUSINESS CRISIS

- 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 your 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

☐ 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 Workforce West Virginia about unemployment programs available to business owners during 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 really needed? Can duties of vacant positions be divided among other employees or performed by part-time workers or temp 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 WV SBDC business coach today.

A complete list of WV Business Coaches are 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
☐ 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, e.g. Customer Support, business hours, services, special order needs, promotions, etc.

☐ Strengthen digital communications presence. Use multi-channels to reach your audience: social media, email, website, text, etc. Develop and update your online profiles and website regularly.

☐ Use technology to expand your services. Facebook Live, Video, E-Commerce websites, Payment and service apps, Video Conferencing, Chat Box, Networking, etc.

☐ Look for new trends and opportunities to provide new solutions