



COVID-19 TALKING POINTS FOR SMALL BUSINESSES

The Small Business Development Center (SBDC) at Minnesota State University, Mankato knows that small business owners are rightfully concerned about survival during these uncertain times. South Central Minnesota businesses have survived natural disasters before, and during those trying times, many had to do things differently. It is important to take the necessary steps now so that you come out of this disruption stronger than ever. Here are some key imperatives that can carry you through these uncertain times:

Manage your cash and credit.

How much cash do you have on hand? How you could make it last for at least six months? If you don't have enough cash on hand, evaluate how you can cut expenses or increase sales by doing something different. Explore negotiations with your lenders, suppliers, or landlords, informing them you may need some form of cooperation in order to survive. Contact your bank to see if there are any accommodations for your current loans- turbulent times are turbulent for both sides. These situations can give you leverage in many ways to negotiate terms and pricing. When you come to an agreement, write down the date and name of the person you spoke to (in writing when possible). **Businesses should gather their past internal financial statements (annual income statements/balance sheets) along with IRS business tax submissions. If existing business, for the past five year. This allows businesses to be better prepared when applications are ready for disaster recovery programs.**

Review & revise your sales strategy.

Now is the time when it is necessary to be increasingly realistic and creative. The goal is not to hunker down and hide, but to develop or brainstorm ways you could actually sell *more* of your products or services. How can you utilize online sales and/or delivery, such as curb-side pick-up? Challenge yourself and your staff to think differently and ratchet up your value proposition!

Think outside the box.

Remember when you started your business on a shoestring budget and you were crazy creative on using word of mouth, organic social media, and key networks to sell your product or service? It's time to jump back into that mentality. Be more creative with respect to your marketing expenses and look for ways to use marketing tactics that don't have a significant cost.

- **Zero-in on Customer Success** One of the benefits of an economic downturn is that it frees up some of your time, and forces you to dig deep. Prioritize customer involvement- even if you're only serving a few customers due to a slow down. Utilize free or low cost digital tools, and ask questions that allow you to nail down the specifics of your product, with the overarching goal of building the next phase on a strong foundation. By the time the downturn becomes an uptick, you'll have a proven product or service ready for scale.

- **Zero-in on Customer Retention** Your immediate goal is to sustain business success. Because it is cheaper to keep a customer than acquire new ones, ensuring customer satisfaction is crucial to your short and long-term business success. Find ways to communicate and keep your name top of mind. This doesn't necessarily mean promotional strategies, but by creating value in this chaotic time. Examples include sharing tips for staying safe, humor, and uplifting stories. Become a beacon of hope in a dark time.

Control employee expenses.

As you examine your business, look at how you can control expenses related to employees. Can you temporarily reduce expenses by delaying the hire of any additional employees? Perhaps use freelancers or contractors to temporarily reduce work-load. The State of Minnesota has put special concessions in place to alleviate some of the unemployment burdens faced by small businesses.

Spend every dollar as if it were your last.

Adopt the concept that you need to protect the lifeblood of your business: cash. Whether it's cash going out in the form of expenses or cash coming in from revenues, cash is king.

Economic downturns can be chaotic and uncertain. Know that you are not in this alone. Our region of business leaders, economic developers, and Chambers of Commerce are pulling together and collaborating on various ways we can be of support to small businesses in our region. The SBDC along with our partners through Minnesota State University, Mankato's Strategic Partnership Division are here to help you! **While we are not currently meeting clients face-to-face, we are still seeing clients for business counseling via virtual methods** (e.g. web conferencing, conference calls, etc.). We can work with you virtually on cash flows, financial analysis, and business strategies to help you survive and thrive. You have the energy and resolve needed to weather this storm! Together, we'll get through this. To set up an appointment, contact the SBDC at Minnesota State University, Mankato at info@mymnnesotabusiness.com or 507-389-8875.

Additional Resources

SBA = Coronavirus (COVID-19): Small Business Guidance & Loan Resources

<https://www.sba.gov/page/coronavirus-covid-19-small-business-guidance-loan-resources>

SBA Disaster Assistance in Response to the Coronavirus

<https://www.sba.gov/disaster-assistance/coronavirus-covid-19>

Minnesota Department of Employment and Economic Development (DEED) COVID-19 Information & Resources

<https://mn.gov/deed/newscenter/covid/>

US Chamber of Commerce COVID- 19 Business Preparedness Checklist

<https://www.uschamber.com/coronavirus>

Minnesota State University, Mankato COVID-19 Information

<https://mankato.mnstate.edu/about-the-university/news-and-events/covid-19-novel-coronavirus-and-the-campus-community/>