

BUSINESSDIMENSIONS

FINANCIAL STRATEGIES FOR THE ENTREPRENEUR



Preparing for the next disruption

How to plan for the unplannable

The global pandemic was termed a black swan – an event or occurrence that deviates beyond what is normally expected of a situation and extremely difficult to predict. They can create business challenges along the lines of economic recession, unemployment, reduced customer confidence and demand, severe supply chain disruptions, regulatory modifications and increased uncertainty.

No one knows where or when the next black swan event will occur, or whether it will be triggered by an economic, environmental, technological, political or societal factor. What we do know is that it can have major repercussions for your business – and that early preparation is essential.

NEVER TOO EARLY

Whether the COVID-19 pandemic truly will go down in history as a black swan event may not matter much. What matters

is what business owners like you can do now to prepare for any unexpected event – black swan or not – and how you can adapt if and when your business is disrupted.

Let's start with a safety net. Just like you need a personal emergency fund, your business needs one, too. Contingency planning – one that puts an emphasis on resiliency – should be an ongoing priority of your organization's financial and risk management. Having at least six months of emergency cash on hand and a line of credit for your business is a good start. Your advisor can help support and coordinate your efforts to open a line of credit and secure insurance coverage.

You should devote time and energy to developing recovery strategies for dealing with the economic factors that affect your business by conducting worst-case scenario planning, stress testing and supply chain risk analysis.

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Preparing for the next disruption (cont.)

CRISIS-PROOFING YOUR ORGANIZATION

It's time to apply the invaluable lessons we've all learned from the pandemic to protect your employees and your business against future events going forward.

YOUR WORKSPACE/WORKFORCE

Business owners can help crisis-proof their companies by brainstorming new ways to connect, innovating to find faster and more cost-efficient ways to operate, and laying the groundwork for a more flexible workforce.

Take time to re-evaluate your workplace. If your business has an open office floor plan, consider modifications that allow for more social distancing, and expand your ability to replace in-person meetings with online conferences. Allow employees to work remotely when possible and support them with the technology they need to do so efficiently.

You, as well as your employees, may be under stress during uncertain times. Cultivating a positive work environment can help support clear thinking and better focus.

FUTURE-PROOFING FACILITATORS



- E-commerce
- Remote workforce
- Enhanced vendor relationships
- Supply chain risk management
- Enterprise risk management
- Crisis management plans

Consider assembling a crisis management team and give each member a defined role and responsibility. Determine and prioritize what services absolutely must continue and what disruptions can be tolerated.

YOUR PARTNERS AND PROVIDERS

Focus on the resilience of your key systems and processes, and the interconnected nature of your business and its suppliers, partners and customers. For example, if your business relies on supply lines, another path to resiliency is to diversify where you get your goods from, both internationally and domestically. Consider using alternate locations, suppliers or distribution channels.

Communicate with your insurance carriers and implement pre-funding arrangements. It's also important to remain attentive

and flexible during the rebound period to help your business. It's about safeguarding your legacy, your retirement and the future of your company.

While the economic realities that often accompany black swan events may make it difficult for business owners to invest in the changes required to increase resilience, it is important to do so – even if it means revising your business model. Build backup plans and expand work-at-home capabilities where possible, incorporate new resiliency measures and rebalance priorities.

According to a survey by the global insurance broker Willis Towers Watson, only 5% of respondents felt that their boards pay significant attention to black swan risks, yet over 30% thought their company was vulnerable to severe impact from such events. Those are eye-opening statistics that should be fair warning: Don't allow your business to be among those that are unprepared.

MARKET AWARENESS

Business owners who learn to adapt can successfully navigate their way through these disruptive events. You must be agile and prepared to capitalize on opportunities. While you should keep a close eye on unexpected costs and logistics disruptions, you'll also want to take advantage of pent-up consumer demand that competitors might be overlooking.

It may also make sense to solidify your existing customer relationships and explore new ways to meet and exceed their expectations. In addition, work on new ways to make your business operate more efficiently such as employing digital technology, e-commerce software and video conferencing.

Perhaps it's hard to even contemplate another black swan event, but the fact is nobody knows how to predict the unpredictable. Our best chance is to learn lessons from what we've experienced and use that knowledge to strengthen and safeguard our businesses come what may. ■

NEXT STEPS

To prepare for the unexpected:

- Set up a crisis management team
- Prepare a response plan
- Create remote work options
- Expand online resources



An accelerated emphasis on innovation

Increasing productivity when it's no longer business as usual

A crisis often spurs innovation to adapt to changing circumstances – and that has certainly been the case this year. Technology is the underpinning of the new work environment: The office goes wherever you are. Consider transitioning to more cloud-based services and group messaging apps. We're already seeing the meteoric rise of videoconferencing via Zoom, Skype or Webex. CRM software such as SalesForce and productivity tools such as Office 365 are also in high demand.

WORKING FROM HOME IS WORKING WELL

A recent survey by global research and advisory firm Gartner found that 74% of chief financial officers expect to move at least 5% of previously on-site employees to remote positions post-COVID-19.

"It's fair to say that working remotely is part of the new normal. Many workers may spend a few days in the office, but work from home the remainder of the time," said Scott Steinberg, president and CEO of BIZDEV. This can help you attract and retain top talent, particularly millennials who are comfortable with technology. Focus on creating an atmosphere of trust that will empower your employees, but, at the same time, hold them accountable for their output at the end of the day.

According to articles in *Forbes* and *The New York Times*, many employees are actually seeing productivity increase while working remotely because there are fewer distractions, less commuting time and an overall improvement in morale. Of course, that means first resolving any issues such as poor internet connectivity, inefficient home computers and a lack of access to job-related resources. Be sure you're supporting your employees by providing the technology they need.

You may find it helpful to consult your advisor for guidance on budgeting for upgraded tech tools or exploring the challenges of accommodating a remote workforce.

TIME-TESTED PRODUCTIVITY-PRODUCING PRACTICES

To increase your own productivity, consider these time-proven tips that have been around for decades.

1. Use a daily planner. Write down and prioritize what you want to achieve and create a specific plan for each goal.
2. Set aside blocks of time for reading and responding to email. While it's tempting to check your email every time you receive an alert, it's highly inefficient to do so.
3. Cut back on the number of meetings. Preparing for meetings can take a huge amount of time, further compounded by the number of people involved.
4. Instead of doing everything yourself, delegate responsibilities to your staff and teach them the skills necessary to complete the tasks, then clearly communicate your expectations and deadlines.

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Making your business more productive should be part of your daily regimen and strategic thinking. Perhaps this timeless advice from Walt Disney sums it up best: "The way to get started is to quit talking and begin doing." ■

NEXT STEPS

- Upgrade the technology employees need to work remotely
- Set up videoconferencing via Zoom, Skype or Webex
- Consider CRM software such as SalesForce
- Add productivity tools such as Office 365



Prove your worth

Differentiate your business online. For free.

Have you ever stopped to think about your business from your customers' point of view? Why should they choose you over your competitors? What do you do or offer that competitors don't? Is it better service? Better value? More selection? More convenience?

Once you've arrived at an answer, you've determined your differentiators – what makes your company stand out from the rest. And now that you know the factors that differentiate your business, it's time to promote them. And it doesn't have to cost a pretty penny.

PROMOTE YOURSELF

Whether you've got a set marketing budget or are working without one, you can make great use of free resources to distinguish your business. Through many community-based resources, you can amplify your message and drum up business by word of mouth, via friends telling friends, and neighbors talking to neighbors.

Social media such as Facebook, Twitter, LinkedIn and Instagram may be among the first things that come to mind, but you have other arrows in your quiver, so to speak. For instance, you can get a free directory listing for your business with Google Place, Yahoo! Local and Bing Places For Business.

You can also create a free business profile on Google My Business and post photos and offers: It lets you connect with customers across Google Search and Google Maps. Or create a free business page on Nextdoor to reach people in your neighborhood. Then make yourself known as the expert in your business or industry through a blog and other online posts.

COMMUNICATING IS KEY

Customer feedback in the form of online comments and reviews is a great way to determine what you're doing right – and where

AVENUES TO PROMOTE YOUR BUSINESS

Social media	Bing Places	Yelp
Google Place	For Business	Nextdoor
Google My Business	YouTube	Blogs
Yahoo! Local	Flickr	PRLog

there is room for improvement or innovation. High ratings and positive comments can help drive additional business. Respond to your customers to show that you are listening to them – and that you truly care about their thoughts, opinions and feelings.

Sign up for Yelp and upload business information and photos; respond to reviews. You can also contribute to an online community related to your business, upload content to YouTube and Flickr, and publicize newsworthy events through press releases on sites such as PRLog and 24/7 Press Release.

While you don't have to do all these things, you should start somewhere and engage consistently and continuously. It requires a commitment on your part, but it can pay big dividends. Investing the time and energy into making your business attractive to your customers, and then promoting it doesn't have to cost a lot of money – but it can help make a big difference to your bottom line. ■

NEXT STEPS

Drum up business with these action items:

- Determine what differentiates your business
- Promote it for free through the various channels
- Monitor engagements/analytics
- Reply to messages from customers and prospects