

# REOPENING TOOLKIT

For Small Business

**ALL YOU  
NEED TO  
REOPEN YOUR  
BUSINESS**



FOR THE LIFE OF YOUR BUSINESS

**Mid-Shore**

Serving Talbot, Caroline, Dorchester, Wicomico, Somerset and Worcester Counties

## 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.

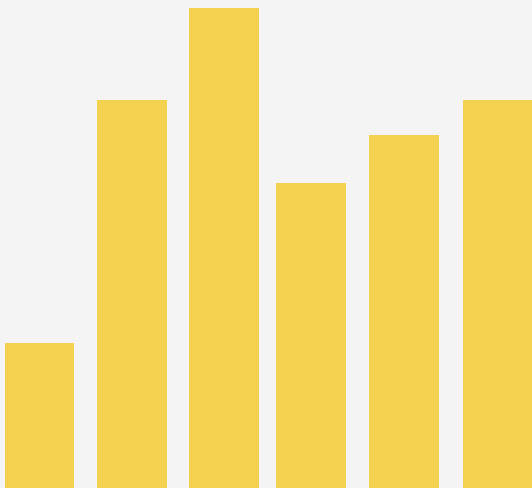
This is an effort by the SCORE MIDSHORE mentors to provide the best thinking we can on how you can take steps now to help your business survive and prosper. We don't know what that looks like for your business, but we're prepared to help you think it through.

# REOPENING TOOLKIT FOR SMALL BUSINESSES



# ASSESS

## Understanding that will drive your future business



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.
  - o Gather past financial records, including leases, 2017/18 business and personal tax returns, 2019 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 thinking about must have, nice to have, don't really need

# ACCOUNT

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## What Do You Need To Survive?

### **How much cash infusion do you need?**

After reviewing your cashflow 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!

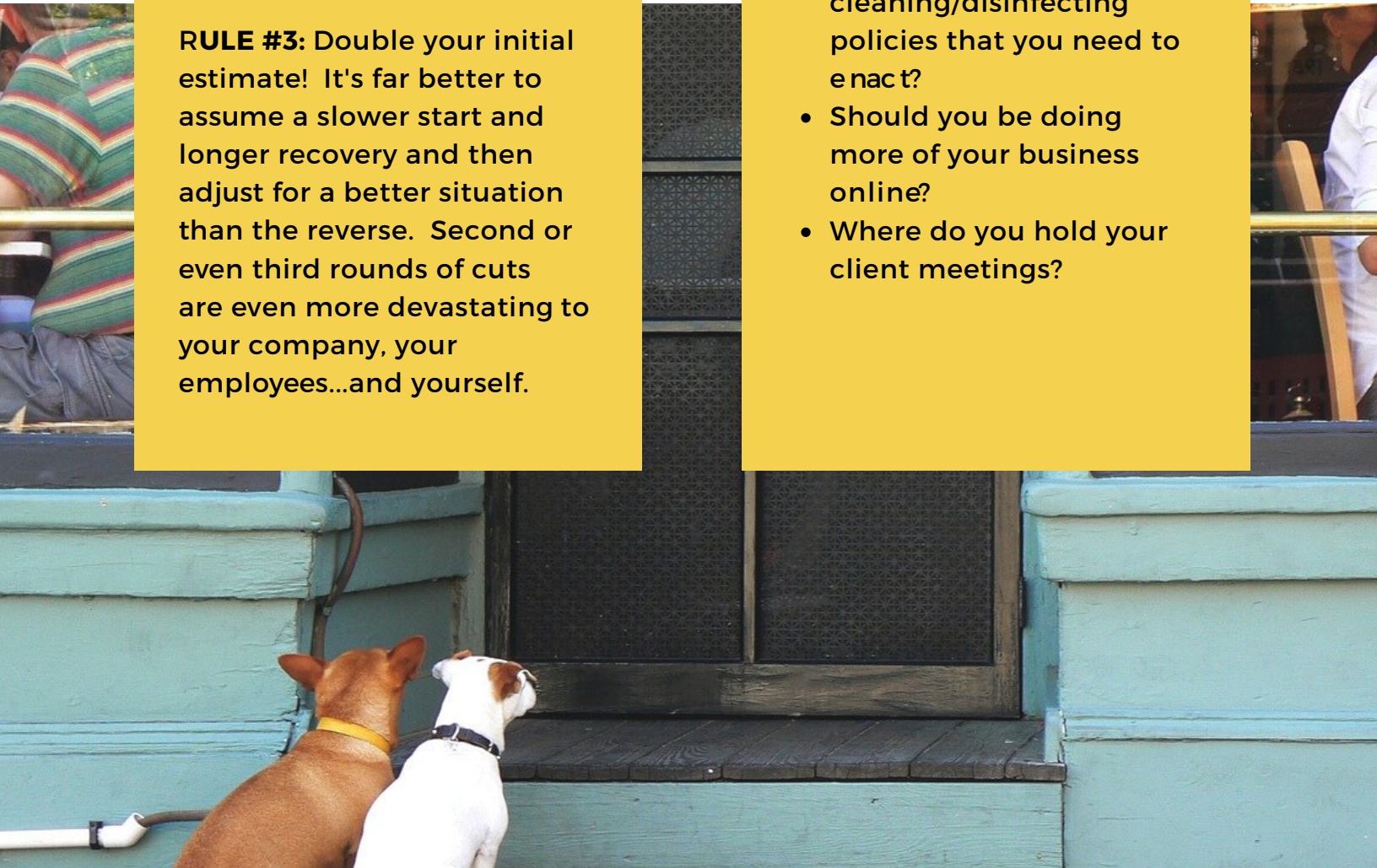
**RULE #2:** Cut BIG!

**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?





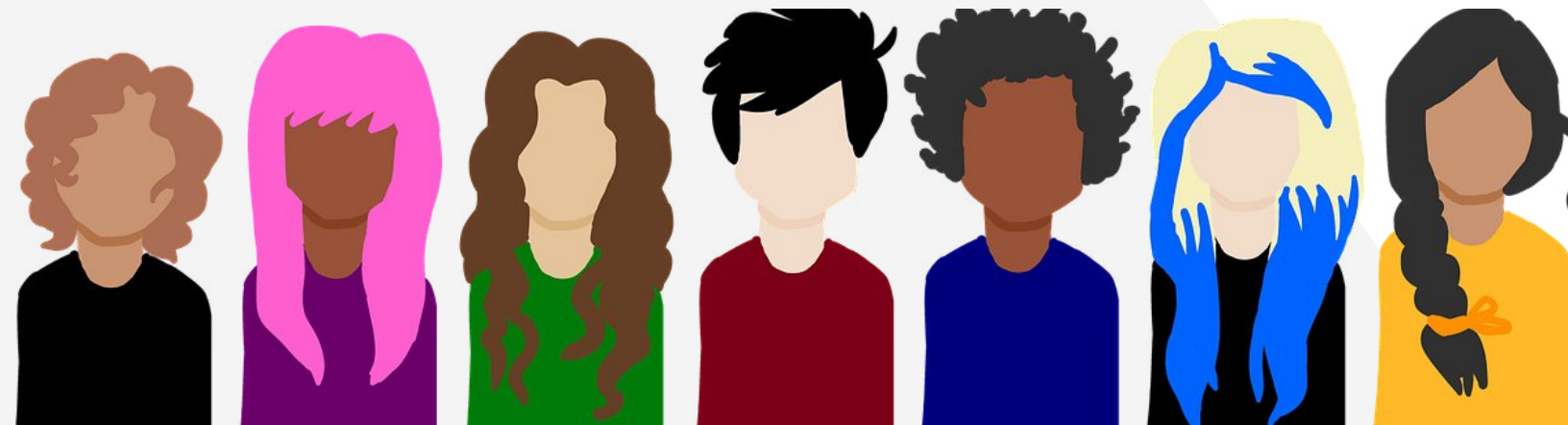
# PLAN

## 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 as to what the future may look 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"
- 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

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## TO WHO?

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

## WHAT?

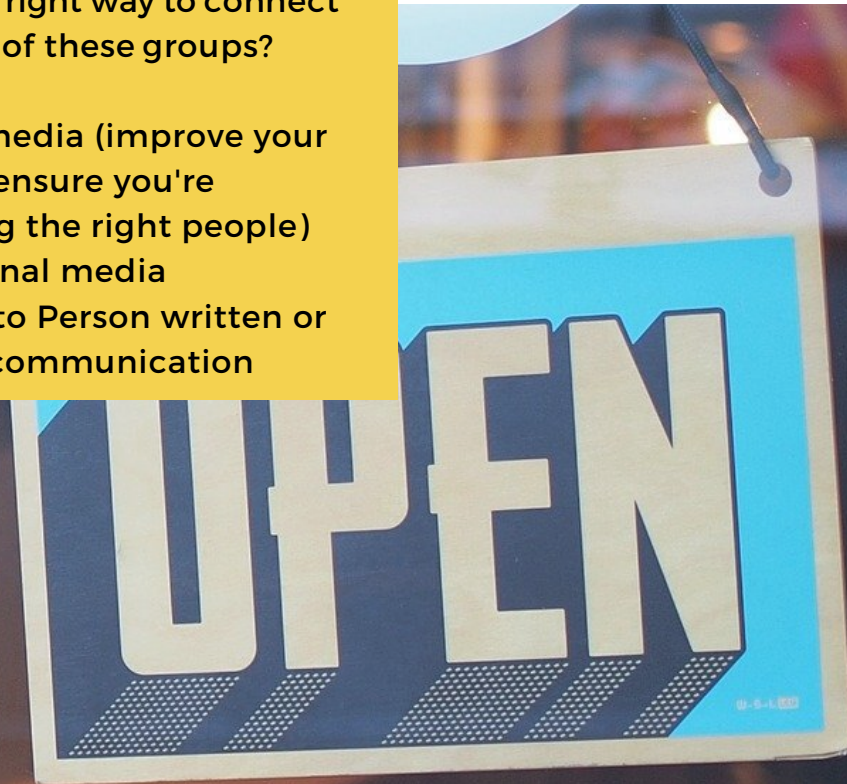
- Create a relevant message for each
- Think about what's most important to them
- Reaffirm your Value Proposition

## 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

## Communicate Your Plan



SHOP

## You Don't Have To Do This Alone



### Mid-Shore

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We hope this Toolkit helps you get on the right track to reopening your business. It's a good start and we'll add more over time. None of us are so naive as to think that this is an easy job. It's not. It's probably the hardest thing you've ever had to do. And it's even harder if you try to do it alone.

SCORE MIDSHORE has experienced mentors who can help you put together the right reopening plan for your business. Every business will have different needs so we're prepared to hunker down with you, dig into the numbers and work with you to develop the best possible reopening plan.

So contact us. We'll be there to help you, mentoring remotely via phone or video conference until such time as we can meet in person.

Stay well!

**CONTACT SCORE AT  
877-572-0735 TO  
REQUEST A MENTOR**

