

Recommendations for navigating the current crisis

Clatsop Community College Small Business Development Center is here to help

By **Kevin Leahy**
Executive Director
Clatsop Economic Development Resources

It is easy to panic when our economy is slowed to a crawl, the stock market is volatile, and unemployment is at record numbers. Don't! Research has shown that people are more likely to make mistakes when they are cash strapped and primed to think about financial stressors — a state that describes a lot of people right now.

Here are some strategies for making good decisions when the world is in such a state of flux:

Give yourself time to decide. Many entrepreneurs like action and refuse to leave something sitting on their desk when they can help

it. But that's a bad strategy when every day reveals a bit more about how the covid-19 crisis will play out. Everyone makes better decisions when they have better information, and you will have more information tomorrow than you do today. Before making any big leaps, take a cooling off period — and maybe even having a trusted third party such as a friend or colleague look over things with you — might help you avoid doing something you'll come to regret. Break your big goal into smaller goals and focus on achieving those.

Figure out how your customers' needs have changed. This covid-19 pandemic is a shock for the whole world. Almost all of your customers' lives are different than they were three months ago, and they will probably be different again in

six months. They may never be the same. Your short-term cash flow depends on providing them with goods and services during the crisis. Your long-term viability depends on understanding how their needs will be different when the pandemic is over.

The first thing to consider is that people are building new habits right now. There are many local isolated households whose normal routines have been upended, and just like them you have to experiment if you want to remain a part of their lives. Your customers don't need an email about how you care about them, but they do need entertainment and comfort and hope. Some of their new habits will persist after the pandemic, which means it is particularly important for you to figure out how to continue to offer services that deliver value during the crisis.

Think hard about how the post-pandemic world will change your business model — and bring your customers into your planning process. Many of your customers will be eager to enjoy themselves after the long seclusion. Many are still scared about the risks of contagious disease. Some of them may have decided that they like ordering online. Reach out to them to learn how their lives have changed and figure out the most exciting thing that you can offer your customers as they leave their homes to shop, dine and have experiences again with the "new normal."

Do some realistic accounting. Try to form realistic estimates of your cash flow both during and after the pandemic. Compare that cash flow with your fixed expenses and with those expenses that you can cut. Remember that sometimes it makes sense to cut the more flexible expenses early, so that you can still keep paying the more vital expenses later. Also stay abreast of other forms of assistance and other ways of bridging the financial gap as they become available. This landscape is also evolving, and fast.

Keep your best employees loyal. Your workers are always your most valuable asset. If you lose your best ones during the crisis, rebuilding your operations is going to be even more difficult. Even if you have to cut labor costs dramatically during the crisis, you want to maintain your ability to rehire your best workers when the world is open for business again. The key here is to focus on the long term and to be human.

Yet, there are also steps that small businesses can take to make sure they are doing the best they can given the situation. To navigate the current crisis, it is necessary for owners and managers of small businesses to act both with a sense of urgency and with prudence. It's important to understand the broader landscape. And it's critical to be aware of the potential for avoidable mistakes



Kevin Leahy

in decision making in these situations. By taking steps to avoid such mistakes, and by thinking through the broader set of levers available right now, it is possible to navigate this complicated landscape.

Stepping up in a time of need

At the Clatsop Community College Small Business Development Center, we have served 159 covid-19 clients in Clatsop County since March, hosted 35 free webcasts with over 1,200 participants, and assisted our business community with almost \$3 million in financial assistance through CARES Act funding since March.

Let us help you navigate these opportunities, now and in the future. Our passion is helping our business community get back on their feet with growth and prosperity in the future.

I will end my article with comments from Josh Allison, owner of Reach Break Brewing, a Clatsop SBDC client and recent "graduate" of our Clatsop Small Business Management Program.

We hope this gives businesses who have not reached out to us the "nudge" to give us a call or email to set up an appointment, always free and confidential.

"The Clatsop SBDC is a tremendous asset to our region, and an amazing partner for Reach Break Brewing. My interaction with the center began with the Small Business Management Program in 2019, and our business had been in operation for just over two years. The staff and advisors at the Clatsop SBDC are not only highly knowledgeable in their fields; but they are also effective educators, they are passionate about our local small businesses, and they are truly invested in the success of our community. In the best of economic times, they have proven to be critical to helping local businesses establish,

Continued next page

At the Clatsop Small Business
Development Center,

We are here to help you.

Our services are designed to help business owners and operators in all stages from start-ups and businesses in their first year, to mature business looking to grow.

As an entrepreneur, your path to start, run, and grow a business is likely to be filled with a variety of challenges that you'll need to overcome to avoid costly setbacks or even failure. The journey can sometimes be overwhelming and risky- but you don't have to do it alone. The Clatsop SBDC's team of professional business advisors are available to help you navigate your way to success!

For more information visit bizcenter.org/clatsop



**SCHEDULE A FREE AND
CONFIDENTIAL
ADVISING SESSION**

Call 503-338-2402 or email sbdc@clatsopcc.edu