



FOR THE LIFE OF YOUR BUSINESS

PIVOT Process for Restarting Business A Small Business Guide

SCORE Lancaster Lebanon Chapter

May 21, 2020

Lemons to Lemonade

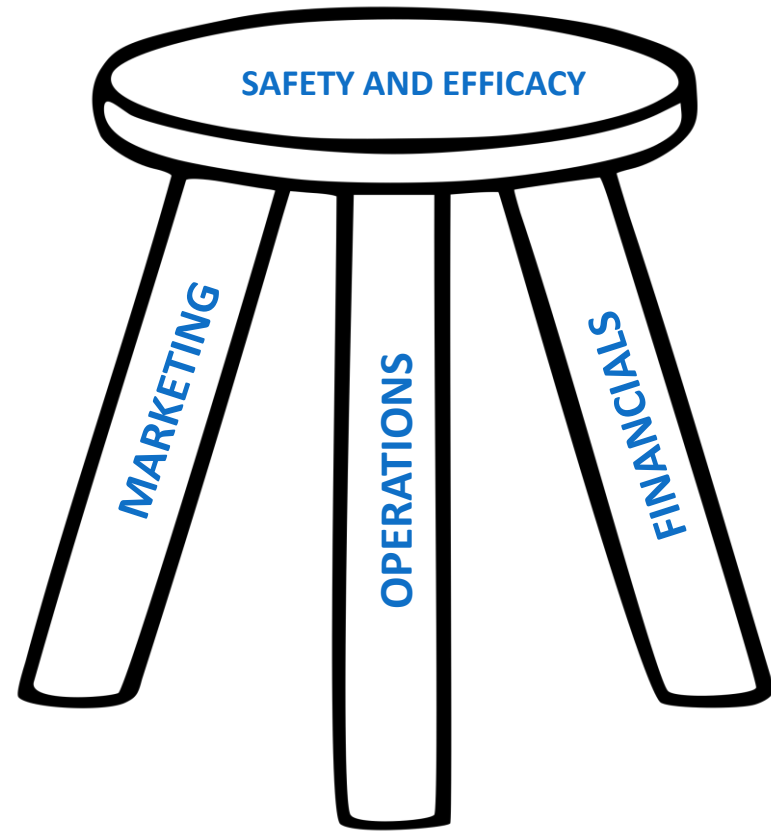
- Now is the time to **examine your business conditions** – but how?
- Never has it been more **critical to plan realistically** – your business depends on it
- Follow a **systematic, business planning approach** covering safety, marketing and operations to identify and quantify your options.
- Make the difficult decisions and move forward!
- SCORE is here to help you PIVOT!



PIVOT Process for Business Restart

Successful restart requires:

- Integrated planning
- Application of State and National regulatory guidelines
- Multi-functional approach: Marketing, Operations and Financial Analysis

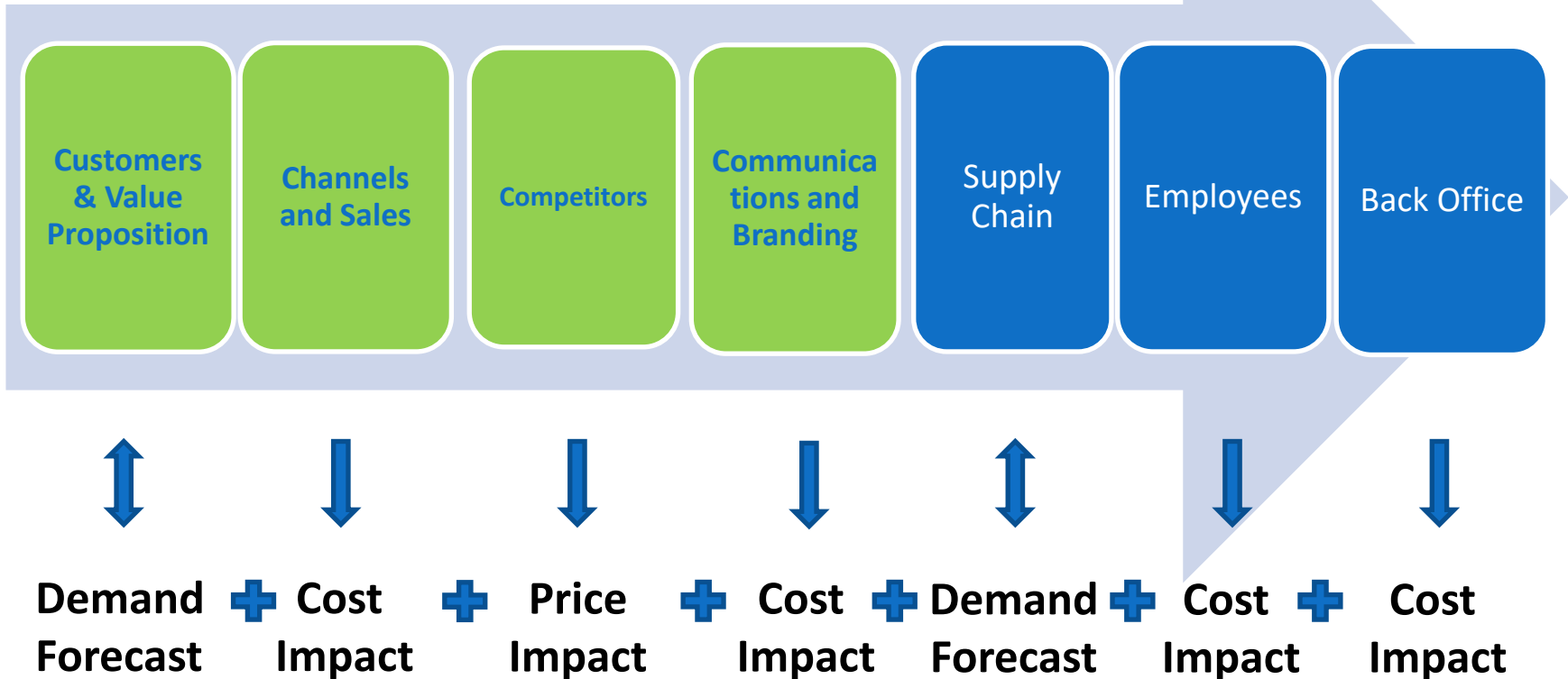


INPUTS

- Current Financials
- Market Trends
- Regulations (Covid-19)
- Company Purpose

OUTPUTS

- Revised Business Plan
- Revised Financials



Pennsylvania- Specific COVID-19 Regulations, National Guidelines & Resources

- **Safety measures for business and buildings**
- **Industry-specific guidance for work practices**
- **Process to Reopen Pennsylvania Red, Yellow, Green phases**
- **Sources for PPE, hand sanitizer, thermometers via Pennsylvania Department of Community and Economic Development**
- **Sources for cleaning solutions, sanitizers and disinfectants**



COVID-19 Safety Implications for Businesses

1. Follow federal, state, & local (industry-specific if available) regulations and guidelines *closely*, (social media links) for *up-to-date changes*
2. Develop COVID-19 *safety plan* and assign COVID-19 *responsibilities to owner* to coordinate, monitor and *show you can minimize risk*
3. Educate *employees and customers* regarding COVID-19 (transmission, prevention and containment); PA's guidance and your workplace control plan and measures
4. Create a *culture of caring* for your employees' and your customers' health and well-being
5. Be prepared for an *accordion-like process—may need to open and close*

Actions and guidance will be dependent on public health, economic conditions, businesses' ability to reduce risk, availability of PPE and local health system capabilities

PIVOT: Customer and Value Proposition

Customers:

- Who are your current primary and secondary customers?
- Is your customer base vulnerable to revenue loss?
 - Which and how many customers are you likely to lose? (Consider regulations to limit numbers of customers and fear to emerge)
 - **How could your target market change to gain new revenue after you reopen?**

Value Proposition:

- **Does your product/service offering need to change to sell new customers or sell more to existing customers?**
- Which products/services need to change and how?
- **How will your points of difference change? (Consider ways to safely augment your product/service)**
- Do you see a short-term vs. long-term product path?

Creativity in Action!

Safe ways to maintain social distancing.

A safe way of reopening....



KMBC.COM

Hair salon gets creative, uses parking lot as space to give haircuts

Fun with Social Distancing



PIVOT: Channel and Sales

Channels:

- **Are there alternative ways to get your product into the market?**
- Are there businesses you could partner with? (Consider a shared space or wholesale)
- Is on-line shopping and/or transacting a potential new channel?

Sales:

- **How can the sales process adapt to the new environment? (Consider virtual, appointment shopping, pre-orders, self-sell, pick-up, etc....)**
- Can your location be modified to segregate selling?



PIVOT: Competitive Landscape

- **Do you have a new set of competitors based on your revised product/service, channels or target market?**
 - How are they positioned in the market?
 - Have they created new products or services?
 - How will you win versus your competitors?
- **Can you partner with competitors who have closed to capture new customers, assets, employees, etc. ?**

PIVOT: Branding and Communications

Branding:

- **Does your company purpose need to change?**
- **Does your brand promise or brand values need to change?**
- Does your brand personality or brand voice need to change?
- Do your brand identity elements need to change?

Communications:

- **Are you clearly communicating your COVID-19 changes?**
- Do you have a plan to reach new target markets/customers?
- **How are you clearly and consistently communicating your points of difference?**
- Consider website, social, emails, store signage, promotional programs, employee training, etc...

Communication Examples

Back Porch Café Street Sign



Dogfish Head Brew Pub



PIVOT: Supply Chain Planning

- **Review workflow based on new demand forecast**
- **Inventory assessment and plan**
- **Supplier assessment:**
 - Qualify alternate sources of raw supply
 - Update Supply Agreements; strive for preferential customer status
 - Regularly update forecast impacts on Supply Agreements; communicate frequently
 - Review supply situation on when can restart product sales
- **Review supply requirements based on augmented products / services**
- **Review lead times**
- **Is capacity or throughput impacted by new safe workflow practices**
- **Assess Make vs. Buy opportunities?**
- **Review group purchasing opportunities? (availability and pricing)**



PIVOT: Employee Planning



- **Review organization and management responsibilities**
- **Map out the restart scenario for worst case.**
- **What can the business afford, identify FTE needs for process operations considering Covid-19 implications**
- **Forecast FTE needs to prepare restart and return to capacity**
- **Prioritize people, right people in the right positions**
- **Need people with the right culture, pulling their weight, address performance, now is the time**
- **Cross training critical to prepare to cover workflow**

PIVOT: Back Office Planning

- **Accounts Payable**: Split into 3 categories on who you pay (1) wages, taxes anyone who could shut you down if don't pay (2) vendors who value your business, negotiate for longer terms (e.g. banks, landlord) (3) anybody where you can buy somewhere else
- **Accounts Receivables**: Careful of who you extend credit. Minimize term credit, use ACH where possible, Cash / Checks. Minimize credit service fee payments
- **Bookkeeping**: Keep careful records of FTE and business expenses for PPP and EIDL requirements
- **Legal / Insurance**: Review liability protection. Review what insurance covers for losses. Review liability coverage. Assess any changes needed
- **Rent / Leases**: Negotiate terms
- **Banking**: Create separate account for PPP funds
- **Taxes**: Work with your tax advisor to minimize tax liabilities associated with your business decisions. (Consider both personal and business taxes)

PIVOT: Financial Planning



<ul style="list-style-type: none">• Sales and margin trends• Products, processes, people assessment	<ul style="list-style-type: none">• Liquidity (Cash)• Balance Sheet (business and personal)• External Funding Sources• (Path to) profitability	<ul style="list-style-type: none">• Near term uncertainty• Changed demand• Increased costs• Pricing• Risk factors• Cash flow projections• Breakeven analysis
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PIVOT: Financial Planning

- Perform Financial Health Check to assess current status
- Take steps to maximize short term liquidity (available cash), including taking advantage of available PPP loans or other government aid.
- Create Restart Financial Plans incorporating your best assumptions about new products, safety requirements, demand and supply, operations, and costs into a revised financial plan, but be make revisions
- Use an advisor (SCORE mentor, for instance) to listen, question, make suggestions, advise and encourage as part of the process
- Meet with your advisor frequently to review progress in executing the plan, but also in modifying the plan to keep up with a situation that is going to keep changing.

Wrap up

- “What got you here, may not get you there.” Re-evaluate your value proposition, key differentiators, and business processes.
- Have a financial plan. Monitor it frequently and adjust it as necessary.
- Health and safety for your employees and customers is paramount. Make it a conspicuous part of your brand, customer experience, and employee value proposition.
- Monitor and learn from your competition. Get ideas from other types of businesses.
- Be bold, not thoughtless. Be creative, agile, and proactive. Don't postpone tough decisions. Learn quickly from failures.
- Be true to your company purpose and values.

Reach Out to SCORE

- Don't have a SCORE mentor –but you think you may want one?
- Let's have a conversation. Our chapter has 80 mentors who come from all sectors of the business community. We are executives, owners, and entrepreneurs committed to share our knowledge and experience.
- For support or guidance on restart planning for your existing business or help with a new entrepreneurial venture....
- Contact us at [Request a Mentor](#) or 717-397-3092
- All at no charge to you



Qs and As



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Appendix

Pennsylvania- Specific COVID-19 Regulations, National Guidelines & Resources Reference Links

- **Safety measures for business and buildings**
<https://www.health.pa.gov/topics/disease/coronavirus/Pages/Businesses.aspx>
https://www.cdc.gov/coronavirus/2019-ncov/community/reopen-guidance.html?deliveryName=USCDC_2067-DM26911
- **Industry-specific guidance for work practices**
https://www.centerforhealthsecurity.org/our-work/pubs_archive/pubs-pdfs/2020/200417-reopening-guidance-governors.pdf
<https://www.backtoworksafely.org/>
- **Process to reopen Pennsylvania Red, Yellow, Green Phases**
<https://www.governor.pa.gov/process-to-reopen-pennsylvania>
- **Sources for PPE, hand sanitizer, thermometers via Pennsylvania Department of Community and Economic Development**
<https://dced.pa.gov/pennsylvania-covid-19-ppe-supplies-business-2-business-b2b-interchange-directory/>
- **Sources for cleaning solutions, sanitizers and disinfectants:**
<https://www.spartanchemical.com>
<https://www.americhem.net>
<https://www.acmepaper.com/coronavirus-covid-19-update.aspx>

Reference Links

OSHA:

Guidance on Preparing Workplaces for COVID-19

<https://www.osha.gov/Publications/OSHA3990.pdf>

https://www.osha.gov/SLTC/covid-19/news_updates.html

CDC:

Businesses and Workplaces: Plan, Prepare and Respond

<https://www.cdc.gov/coronavirus/2019-ncov/community/organizations/businesses-employers.html>

Reopening Guidance for Cleaning and Disinfecting Public Spaces, Workplaces, Businesses, Schools, and Homes

https://www.cdc.gov/coronavirus/2019-ncov/community/reopen-guidance.html?deliveryName=USCDC_2067-DM26911

PA State:

Responding to COVID-19 in Pennsylvania

<https://www.health.pa.gov/topics/disease/coronavirus/Pages/Businesses.aspx>

Local:

City of Lancaster: (with links to Chamber of Commerce and EDC)

<https://www.cityoflanasterpa.com/covid-19>

Other

Public Health Principles for a Phased Reopening During COVID-19: Guidance for Governors (April 17, 2020).

<https://www.centerforhealthsecurity.org/our-work/publications/public-health-principle>