

Coronavirus: 10 Things That Family Businesses Can Do Now

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Editor's Note: Over the next few weeks we will be publishing articles on familybusiness.org (<https://familybusiness.org>) and [EIX.org](https://eix.org) to help businesses weather the turmoil caused by COVID19. Visit our home page daily for more articles.

Two weeks ago, it was business as usual for family businesses around the world. But COVID19, the virus that as of March 16 has sickened nearly 175,000 people around the world, is frightening new territory for all of us.

Over the next few weeks familybusiness.org will strive to bring our visitors solid advice to help them get through this difficult time. We will focus on the unique challenges of family-run businesses, who have been forced to close their doors and whose prime customers may be facing quarantines and cash challenges of their own. We expect that smaller companies could see revenue plunge as much as 50% over the next year.

For this first article, I will share 10 lessons I've learned from teaching entrepreneurs about economic downturns for the past 27 years.

1. It's all about managing your cash. Plan for the next three months or more with substantially reduced revenues.

2. Delay large purchases. This is not the time for capital equipment, expansions or big expenditures.

3. Cut the marketing budget. Unless you have something that will be in demand at this time, don't spend on advertising or marketing. No sense selling when nobody is buying. However, if you can add delivery (see tip #5), it's worth spending money to spread the word.

4. Figure out who you need. Find ways to keep those key employees, even if it means losing more money because you are continuing to pay salaries. You probably can't keep them all, but make sure you keep

your key people

5. Can you add delivery? Or in some way create a product or service that will appeal during this time of enforced nesting?

6. Cut your personal expenditures where you can. The less money you take out of the business the longer the business can be sustained.

7. Plan on this lasting longer than you think. Cut early. Move quickly. The goal is to survive and thrive after the coronavirus, so try to get in front of it and prepare for the long haul.

8. Get in touch with your local and state governments. They will have programs to support small businesses; make sure you take advantage of them.

9. Get on the phone with your banker. Negotiate reduced payments, deferments, etc. They don't want defaults any more than you want to default.

10. Keep planning. Adapt and evolve as this situation unfolds. Stay calm and keep planning. Position yourselves so you can come back when the crisis is over.