

GUIDE TO CONQUERING A BUSINESS CRISIS

- Cash Management
- Pricing and Cost Containment
- Supply Chain Management
- Marketing



CASH MANAGEMENT

- ☐ **Prioritize who to pay first**
- ☐ **Have conversations with vendors to ask for longer payment terms or partial payment**
- ☐ **Have financial records in one, easily accessible place and review them daily**
- ☐ **Review financial information and forecast cash needed to operate the business. Know your financial data well. Don't rely on your CPA to tell you how your business is going.**
- ☐ **Address problem areas where costs are out of line.**
- ☐ **Regularly review customer accounts and have solid credit policies in place.**
- ☐ **Place slow pay customers on COD or pre-payment**
- ☐ **Require cash payment at time of sale**
- ☐ **Talk to lenders about renegotiating existing loan terms and interest-only payments for a while**
- ☐ **Keep payment promises (Don't make promises you can't keep)**
- ☐ **Work with federal and state government agencies about payment of past due and coming due taxes**
- ☐ **Don't ignore collection letters from federal and state government agencies. They can freeze your bank accounts, cutting off access to cash**
- ☐ **Have a line of credit in place, review it annually and adjust as needed**
- ☐ **Sell unproductive assets now. Don't wait until a crisis**
- ☐ **Consider business credit cards, but understand the risk**
- ☐ **While no one enjoys laying people off, have a plan to reduce labor if needed. Check with Workforce West Virginia about unemployment programs available to business owners during distressing economic times.**
- ☐ **Reduce embezzlement opportunities by limiting check signing to the owner or requiring two check signers. Examine payroll records for accuracy and reconcile bank statements and credit card registers daily.**





PRICING & COST CONTAINMENT

- ☐ Reduce unnecessary expenses like travel, entertainment and other areas that do not contribute to revenue generation
- ☐ Review pricing and value. Don't cut prices in panic mode
- ☐ Review personnel requirements. Are vacant positions really needed? Can duties of vacant positions be divided among other employees or performed by part-time workers or temp workers? A lean workforce before a crisis will help you survive.
- ☐ Discuss rent reduction with your landlord
- ☐ Eliminate discounts and giveaways
- ☐ Consider renting unused space to other business owners
- ☐ Negotiate discounts with vendors when possible. Remember, trying times impact them too. They may be willing to offer short-term discounts they otherwise wouldn't.



**Contact your local
WV SBDC business
coach today.**

A complete list of WV Business Coaches
are available at the end of this document.



SUPPLY CHAIN MANAGEMENT

- ☐ Review inventory levels regularly. Conduct inventory at least monthly
- ☐ Consider adding items with faster turn times
- ☐ If your POS system has an inventory management feature, enter products as they come in. Your POS system will provide daily inventory information.
- ☐ Look for vendors that provide a just-in-time option for ordering products
- ☐ Eliminate slow sellers when reordering and liquidate products that have been in inventory beyond 90 days.
- ☐ Stay engaged with your suppliers. Don't wait until a crisis
- ☐ Assess operations and capacity. Adjust as needed



MARKETING

- ☐ Identify key target customers and consider a "niche" focus
- ☐ Reassess your marketing strategy
- ☐ Consider redistribution of marketing expenditures
- ☐ Communicate regularly with customers to keep relationships, e.g. Customer Support, business hours, services, special order needs, promotions, etc.
- ☐ Strengthen digital communications presence. Use multi-channels to reach your audience: social media, email, website, text, etc. Develop and update your online profiles and website regularly.
- ☐ Use technology to expand your services. Facebook Live, Video, E-Commerce websites, Payment and service apps, Video Conferencing, Chat Box, Networking, etc.
- ☐ Look for new trends and opportunities to provide new solutions

WV SBDC BUSINESS COACH DIRECTORY

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HAROLD PATTERSON (304) 767-0532

CHARLESTON CENTER
WILL MILLER (304) 206-8721

EASTERN PANHANDLE CENTER
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HUNTINGTON CENTER
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**JEFFERSON COUNTY DEVELOPMENT
AUTHORITY CENTER**
MATTHEW COFFEY (304) 546-4503

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**WV NORTHERN COMMUNITY
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