



Small Business & COVID-19

Helping Delaware's small businesses thrive during and after the COVID-19 crisis

COVID-19 Impact Today



In a recent survey, over half of US small business owners said they don't have enough capital to continue operating for more than three months past COVID-19.*

- Sales have significantly decreased.
- Cash reserves are nearly gone, while debts continue rising.
- Inventory is aging. In some cases, inventory is becoming worthless.
- Employees are uncertain about their futures, and they have begun looking for other sources of income.
- Navigating through the government loan process is burdensome, and often yields no results.

* Source: Goldman Sachs small business owners survey <https://www.goldmansachs.com/citizenship/10000-small-businesses/US/no-time-to-waste/index.html>

COVID-19's Impact on the Future

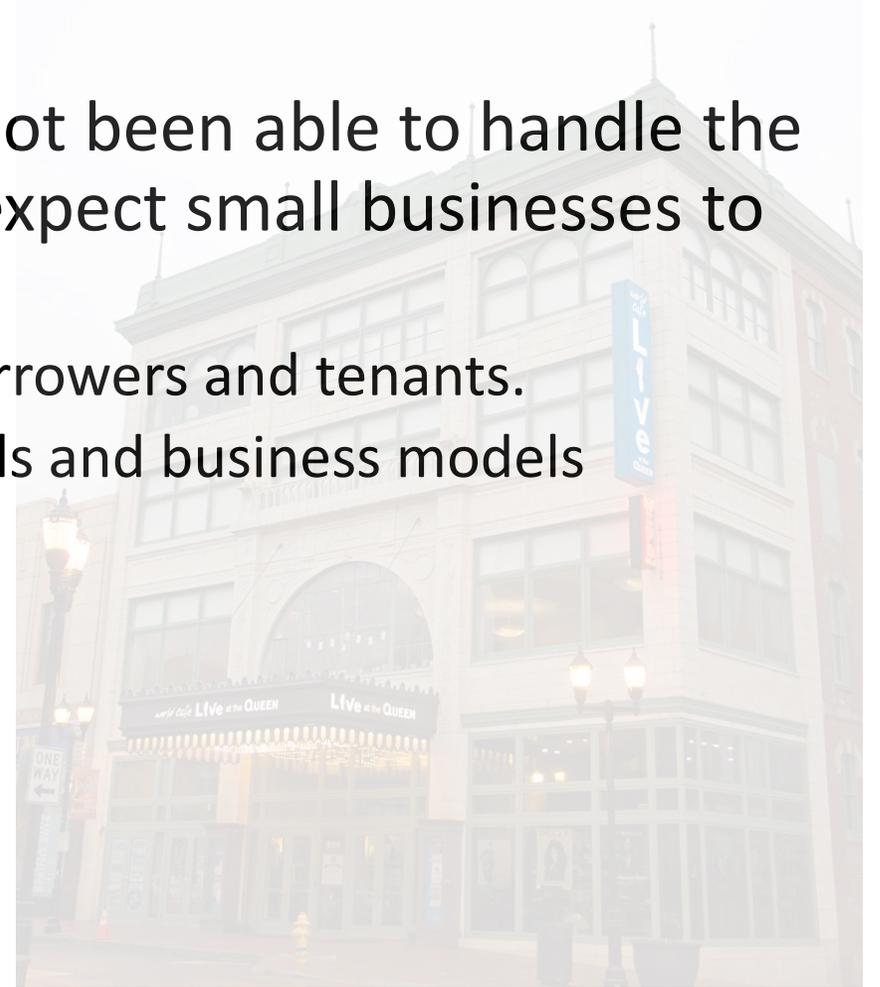
Current business owners have no experience with a pandemic. Not only are businesses unprepared for the sudden economic impacts, they are not prepared for the future impacts:

- Sales **may gradually increase** as consumers ease back into the marketplace. As a result, annual revenues will continue suffering while **costs remain constant**.
- Loan repayments will add to expenses.
- Consumers' income has been affected dramatically, and non-essential spending will remain low for some time.
- Consumers are realizing how little they need the non-essential items. This may result in a permanent shift in spending behaviors.

How to Help

Large, multi-billion-dollar companies have not been able to handle the economic impact of COVID-19. We cannot expect small businesses to manage on their own. What can be done?

- Lenders and landlords must invest in their borrowers and tenants.
- Small business owners must develop new skills and business models immediately.



Investing in Borrowers and Tenants

Start by making a long-term investment in your business.

- Provide temporary debt relief on a case-by-case basis.
- Work with legislators and secure additional corporate sponsorship and collaboration.
- Market / promote your efforts in the community.

Get off the sidelines and take an active role in borrower and tenant success. Engage our firm to assess the viability of each business.

- Cash flow
- Sales per square foot
- Revenue trends / growth rate
- Market share
- Customer loyalty / retention / satisfaction

Investing in Borrowers and Tenants

Identify areas of concern.

- This will be an eye-opening experience for the landlord and lender as it will reveal the true strength of their portfolios.
- Also, this experience will help the business owner take a fact-based and realistic look at their business operations.

Work closely with the business owners to address any issues and **monitor closely.**

- Adjust as needed.
- Ensure business owners get proper training and that they apply the knowledge to running a profitable business.
- Forge a strong, mutually-beneficial business partnership.

Business Owner Responsibilities

Let us work with you to further develop your business skills.

- Use data and Key Performance Indicators to improve profitability and to better control and manage your business.
- Improve your financial management and lower the risk of future financial problems.

Adapt to change.

- Adjust to changes in consumer behavior and the impact on revenue.
- Significantly reduce operating costs and find ways to do more with less.

What Next?

1. Let your borrowers and tenants know that help is on the way. Currently, business owners are dealing with a great amount of stress, and it's important to communicate to them early and often. We will work with you to schedule assessments of their businesses.
2. After the assessment, we will provide you the findings and help you build plans that are customized for each business.
3. Once the plans are complete, we will assign a resource* who will work directly with the business owner to implement the plan.

*We rely on a national network of professionals who have deep management and small business experience. We will profile profiles prior to assigning the resources.