

New Rules for Operating in the Time of Corona

A Guide for Freelancers, Agencies
and Small Business Owners



Your Challenge

The novel coronavirus continues its rampage in many parts of the world. In light of the massive healthcare crises and human tragedies it has caused, business troubles seem trifling.

Nonetheless, we're all doing our best to survive this challenge in both our personal and professional lives.

The fact is, measures taken to contain COVID-19—such as quarantines and lockdowns—have disrupted business operations in many sectors. A survey of our 65,000 freelancers and small business owners around the world shows, without a doubt, that small businesses are experiencing decreases in their sales and revenue. The pandemic is causing difficulties with customer demand as well as supplies due to logistics and operational issues.

This decline in business activity has forced businesses large and small to cut down their costs, resulting in one of the most dramatic increases in unemployment in the US. Small businesses, which usually don't have the luxury of long runways, are facing an existential threat. This guide is our small way of helping small business owners face this challenge with courage.

Your Small Business Matters.

According to the SBA, small businesses account for 44 percent of U.S. economic activity. They create two-thirds of net new jobs and drive U.S. innovation and competitiveness. An incredible 99.7 percent of U.S. employer firms are small businesses.

Small businesses are a vital and significant part of our economy and are the lifeblood of local economies. They bring growth and innovation to their communities, provide employment opportunities in the neighborhood, and also give money back to their local community in the form of taxes. To ensure the diversity, vibrancy and strength of our local communities, we must ensure that small businesses like yours survive crises like this pandemic.



What can you do to survive the pandemic?

These are uncertain times. The 'new normal' is still emerging. Though the short-term outlook for small businesses varies greatly by industry, it is important to plan for recovery, aiming for growth when the economy returns to a state of normalcy.

We believe this recovery strategy requires focusing on two areas in general: (1) financial analysis and planning, and (2) marketing and sales centered on customer retention.

The first includes assessing the financial damage caused to your small business by the pandemic, re-evaluating your business plan, considering funding requirements and options, revising your financial forecasts and budgets, developing a timeline for rebuilding and creating a contingency plan. The second includes maintaining a strong relationship with your existing customers, considering new ways of delivering your products and services, partnering with other businesses, and looking for opportunities to expand your market.

1 Assess the Financial Impact

If you are like most freelancers, agencies or small business owners you've been negatively affected by the pandemic. What is that financial impact exactly? Answering this question is critical for your plan to rebuild.

TASKS & QUESTIONS

Update your financial statements.

Compare them to past year(s).

Has your team composition changed?

Have you lost or gained customers?

Are there any budgeted items you've had to revise?

2 Re-evaluate Your Business Plan

It could be several months before the pandemic is a thing of the past and business returns to some form of new normal. Does your current business plan account for this uncertainty or do you need to reconsider some elements to adapt?

TASKS & QUESTIONS

Research how your specific industry has been affected.

What are your competitors doing differently now?

How has your customers' behavior changed?

What are your current strengths and weaknesses?

Adjust your business and revenue targets based on your learnings and answers.

3 Funding Requirements & Options

Without deep pockets, like many small businesses you may need to replenish your working capital to stay afloat. Now is the time to get a clear picture of any external funding you will need, and evaluate the available sources.

TASKS & QUESTIONS

What federal and state funding options are available to you?

Can you qualify for loans or lines of credit from banks, credit unions or online lenders?

Do you have outstanding payables that you can turn into working capital via invoice factoring, accounts receivables financing or merchant cash advance financing?

Be sure to keep a close eye on your business and personal credit scores.

4 Prepare for New Spending

Being able to bounce back faster and stronger when demand picks back up may require additional investments. You'll want to make sure you are in a position to get in front of that growth and capture what you can. From starting a fresh marketing campaign, to hiring new employees, to buy new inventory, be sure to build this into your plans and budgets.

TASKS & QUESTIONS

What are the essential investments you need to make?

What is the priority order of these new expenses?

Where can you save costs and cut expenditure to help fund these expenses?

5 Create an Action Plan

It is easy to get overwhelmed. Having a timeline with actions ordered by priority can lighten the load and help you feel like you are making progress step by step.

TASKS & QUESTIONS

Make a list of all activities you need to carry out.

Order them based on their importance.

Assign a deadline (even if tentative) for each activity.

Keep track of responsible people and dependencies.

Use the action plan as a way to track progress.

6 Create a Contingency Plan

Very few small businesses have continuity or contingency plans. While updating your business plan, budget allocations and action plan are all useful steps for recovery, you should also plan for what to do when things don't go according to plan.

TASKS & QUESTIONS

Where are there opportunities to accumulate cash reserves?

Where can you reduce debts and operational expenses?

Where can your team improve efficiency?

What are the fallback options if your primary plan fails that still allows your business to continue to operate?

7 New Delivery Channels

Working remotely and contactless interactions have become the norm. If your business relied on personal visits, foot traffic, in-person payments etc., incorporating digital options into your customer journey will be paramount.

TASKS & QUESTIONS

Draw up your customer journey, from the moment they get to know about you, to the purchase and after-sales support.

Consider which steps of this journey have gaps and opportunities for digitization.

Seek out expert advice if needed to go digital, waiting or not moving will ultimately cost you more.

8 Partnerships

A great way to help your customers is extending the services you can offer. One fast way to do this is by forming alliances with other small business owners or freelancers that can bring their expertise into your clients. Similarly, they may be able to do the same for you. Together you can support your respective clients, and each other, better.

TASKS & QUESTIONS

Talk to your active clients and ask them about other pain points and problems. Seek out other freelancers or small businesses that solve these pain points and discuss a commission or revenue share program.

Explore how you can build on complementary strengths together

9 Pivot To Serve Expanding Businesses

While some customer segments have diminished during this pandemic, others are flourishing. Identify those growing sectors and start targeting and customizing your offering towards them.

TASKS & QUESTIONS

Research brands and sectors that are growing.

Re-design and tailor new messages to pitch for their business.

10 Stay Connected with Your Customers

We have saved the most important for the last: customer retention should be your top priority during this crisis. Stay in contact with your customers through email, social media and other channels, and try to deepen your relationships with them.

Send regular email updates to your customers.

Keep your website and social media channels updated.

Ask your customers for ideas on how to serve them better.

Make your engagements personal and meaningful.

Stay authentic.

In Summary

- 1 Assess the financial impact
- 2 Re-evaluate your business plan
- 3 Review funding requirements and options
- 4 Prepare for new spending
- 5 Create an action plan
- 6 Create a contingency plan
- 7 Consider new delivery channels
- 8 Partner with other businesses
- 9 Pivot to serve expanding businesses
- 10 Stay connected with your customers

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We understand small businesses. We're well aware of the difficulties you face in managing finances. Hiveage is our take on how to simplify these cumbersome processes. Since 2014, we have helped more than 65,000 small businesses from 150 countries manage their finances better.



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