

EMERGE STRONGER

A Brief Guide for Strategic Business Reopening During Covid-19

Guide Outline

Domain 1.

Assess impact

Domain 2.

Revise Strategy

Domain 3.

Set the Stage

Domain 4.

Hedge

Domain 5.

Build Resiliency

Assess impact:



Review Pre-COVID 19
Business Performance.



Analyze Metrics During
Pandemic Induced Closures.



Project Figures After
Reopening.

Assess impact:

Critical Questions & Resources

Think though...

- When/how can the business reopen? policies vary nationwide.
 - **New York State Resources**
 - **Tool to check if your business can reopen:**
<https://www.businessexpress.ny.gov/app/nyforward>
 - **For businesses unable to get PPP or Disaster Loans:**
<https://esd.ny.gov/nyforwardloans-info>
- Check ***your state's policies*** on reopening:
<https://www.uschamber.com/reopening-business>
- After gaging reopening possibilities, honestly assess:
Prior to the pandemic, how was your business performing? (write down your responses)
 - **Well?** What factors and forces made the company successful?
 - **Borderline?** What factors and forces made success elusive?
 - **Poorly?** What factors and forces contributed to poor performance?



ASSESS IMPACT

Portfolio Company Insight:

Prior to covid-19, one of our portfolio companies with a physical location delivered optimal results. The cost of maintaining the physical space was 22% of revenue. During the pandemic, analysts predicted a 60-70% decline in revenue, actual decline was 18% (online services proved popular). This prompted management to rethink the need for a physical location; the company did *better* with the physical location shuttered. For this particular company, our impact assessment led us to conclude the physical location ought to be discontinued; with saved maintenance costs invested in expanding online services and R&D. (A hybrid option is also being considered).

External Company Spotlight:

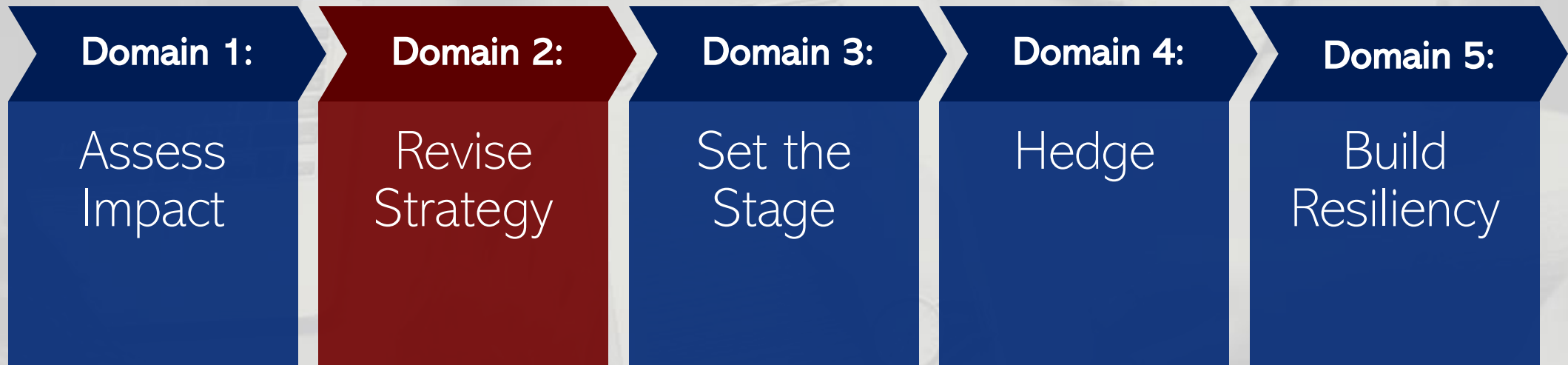
Another prime example of assessing and pivoting (short term here) is the case of a bar that converted into a grocery store during the lockdowns to keep revenue flowing. Innovative! Discover their story here:

<https://www.nbcnewyork.com/news/open-for-business-lower-east-side-bar-turns-into-grocery-store/2405670/>

Considerations & Notes:

- During the shelter in place orders, how did your business perform?
 - **Well?** Did restrictions drive demand for your goods/services? Can this be sustained after reopening?
 - **Average?** Did the company see mediocre results? Was this on par or removed from pre-pandemic metrics?
 - **Poorly?** Was the decline a result of pandemic related measures? Is it realistic that reopening will reverse this trend within 2 quarters?
- Understanding business performance prior to the pandemic and how it is performing during, is essential for reopening. **Many business will need to adapt, rebrand and/or pivot.** Some ought to double down on strategy as they thrived during the crisis.
- With consumer trends and priorities shifting, the factors that facilitated success may no longer apply. In line, forces that hindered performance might now stimulate growth.
- Does it make sense for your business to continue as is or do you need to pivot?
- While the future after reopening remains uncertain in many respects, your understanding of the dynamics relating to your business will in large part determine how well you navigate in the coming months.

Guide Progression



Revise Strategy



The “new normal” and your business.



Functions Audit: Prioritizing efficiency and flexibility.



Mapping it: Gaging feasibility.

Revise Strategy:

Planning & Resources

Think though...

- Will the company's offerings remain in demand as the world shifts? A business reliant on mass gatherings may have to pivot and rebrand completely.
- How can you reach customers once reopening starts? *Focus on providing value.* What new service can you offer to ease pain points for consumers and organizations?
- Are you positioned to withstand another shutdown? Health experts indicate COVID-19 cases may surge again in the fall. How will your business respond?
- High-quality consultants can help you measure the feasibility of your strategy and map out steps:

- **Free Consulting for your business:**

<https://www.theaccelerationproject.org/mission.html>

- **Free Digital Market consulting:**

<https://www.searchinfluence.com/>

- Track developments in **health and policy** to better understand the developing “new normal”, here's a **source**:

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

REVISE STRATEGY

Portfolio Company Insight:

One of our portfolio companies is an education SaaS company (software as a service) set to launch at the start of the 2020-21 school year. Originally designed as a supplemental tool for educators, the shift to remote learning has triggered a redesign in the platform to support remote instruction fully, as well as blended learning. The pandemic's effects on education necessitated our revision in strategy. When the program launches it will be a more robust, flexible and suitable version (having anticipated trends in education).

External Company Spotlight:

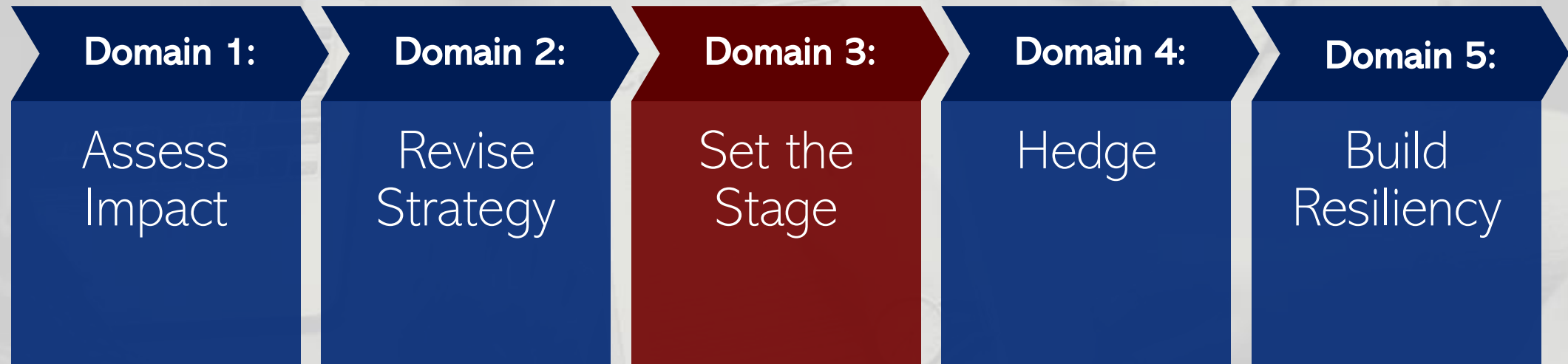
A great example of strategy revision is found in the case of a Food Tour Company that partnered with restaurants to keep the business relevant and thriving. The CEO showed great ingenuity, read their story here:

<https://www.localmemphis.com/article/news/health/coronavirus/memphis-food-tour-founder-creates-virtual-experience-to-help-restaurants-through-pandemic/522-f691bca0-dc0e-440c-a19a-a445b270ed14>

Considerations & Notes:

- Audit your business functions. Thoughtfully examine the assumptions or beliefs your business previously held. What must be revised or rejected completely?
- Consider the following:
 - Does your current business strategy lend itself well to new consumer trends? Government policies?
- Cash is crucial, liquidity is paramount:
 - Your business strategy ought to prioritize building this capacity, cut costs, renegotiate contracts and develop a financial services network.
- The new normal may be temporary, permanent or somewhere in between. Every business strategy ought to have built-in flexibility to adapt to changes.

Guide Progression



Set the Stage



Establish the conditions for success.



Restructure/train your team and set priorities.



Turn pain into potential profit.

Set the Stage

Planning & Resources

Think though...

- What conditions and systems must be in place for your business to reopen? How can you set them now? If you have an existing customer base, let them know about your business reopening timeline. Reach out to them *personally* by phone, as well as email lists.
 - Do you have a physical location? *Optimize it.* Ensure your space can accommodate physical distancing and other guidelines.
 - Online presence? *Revamp it.* Give your website and social media accounts a new look and feel, indicating a resurgence, a new approach and most importantly an emphasis on how your customers will benefit.
- Do you have employees or independent contactors on your team? Make sure they're trained and prepared.
 - **A WEALTH of FREE resources and training:**
<https://trainingindustry.com/training-companies-offering-free-coronavirus-products-and-services/>
- Clearly define your priorities now, get everyone on the same page. Execute when you reopen. Unpredictability is certain to feature during reopening, however, avoid veering away from your goals and having to recalibrate later. Time is capital.



SET THE STAGE

Portfolio Company Insight:

Setting the stage, one of our portfolio companies (a test prep service) developed a new product line during the shelter in place orders. Instead of having some employees whose work cannot be done remotely stay idle, teams were reorganized around projects everyone could contribute to remotely. This fall, the finished product line will be marketed and sold to learning institutions. Additionally, across the board, a client relationship manager was added to ensure companies hit the ground running.

External Companies Spotlight:

In the link below, four very different companies are profiled with a rundown on how they set the stage to reopen.

<https://www.uschamber.com/co/run/finance/how-business-owners-are-reopening-after-covid-19>

Considerations & Notes:

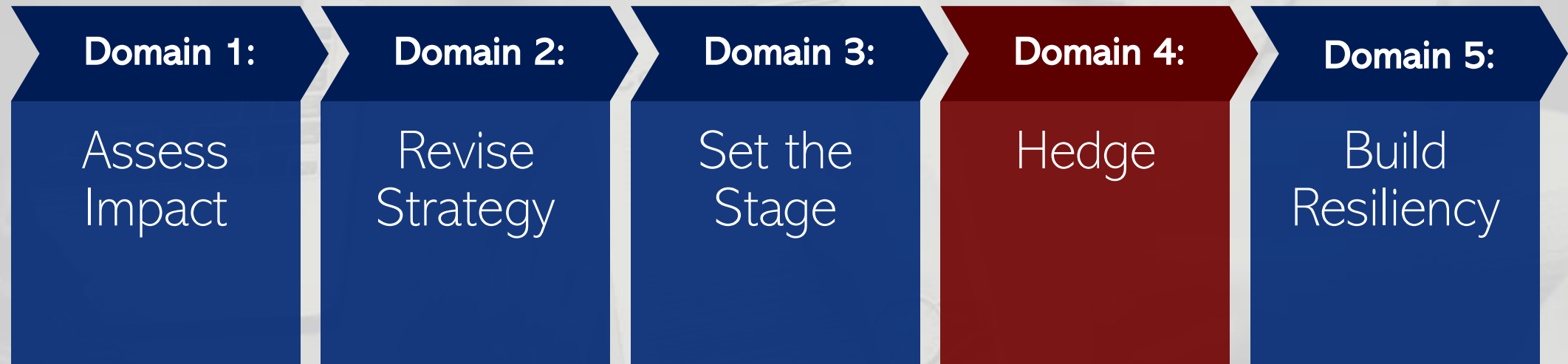
- Turning weakness into strength requires tenacity and finesse. Brainstorm ways to turn the pain of closures into strengths.
 - This can take many forms; for example, a business that cannot operate remotely can invest time creating and stockpiling gift-bags for reopening.
 - Being forced to stay at home may free up time to write articles or blogs that would attract patrons to your business. If you can't earn immediately, set yourself up to earn when you open.

Review this resource:

<https://go.opensesame.com/wfh-offer>

- Careful analysis of the conditions that will stimulate your business growth is a top priority. Executing to ensure those conditions are met is just as essential.

Guide Progression



Hedge



Establishing a backup plan.



Diversifying revenue.



Building allegiances.

Hedge

Planning & Resources

Think though...

- What are the risks, beyond what the business faced prior to the pandemic? How can you mitigate those risks and where else can you allocate resources?
- Effective hedging is a challenge. One direct approach is to start a business in another sector (one which thrived during the crisis). This requires an intense time commitment and generally offers little in the short-term but carries long-term potential.
- Another approach is investment in other companies operating in a different industry. This approach is capital intensive and carries risks, it may be worthwhile if monthly or quarterly profit-sharing and/or dividends agreements are secured.
- Every business ought to prioritize diverse revenue streams.
 - **A Source to help you develop back up plans:**

<https://www.uschamber.com/co/start/strategy/small-business-coronavirus-reopening-guide>

HEDGE

Portfolio Company Insight:

One of our portfolio companies produces high-end vodka. As a hedge against possible decline in demand or supply chain disruptions, we're partnering with a large distribution company, to include the export/import of popular family-friendly drinks for consumers of all ages. This strategy expands and further diversifies revenue streams.

External Company Spotlight:

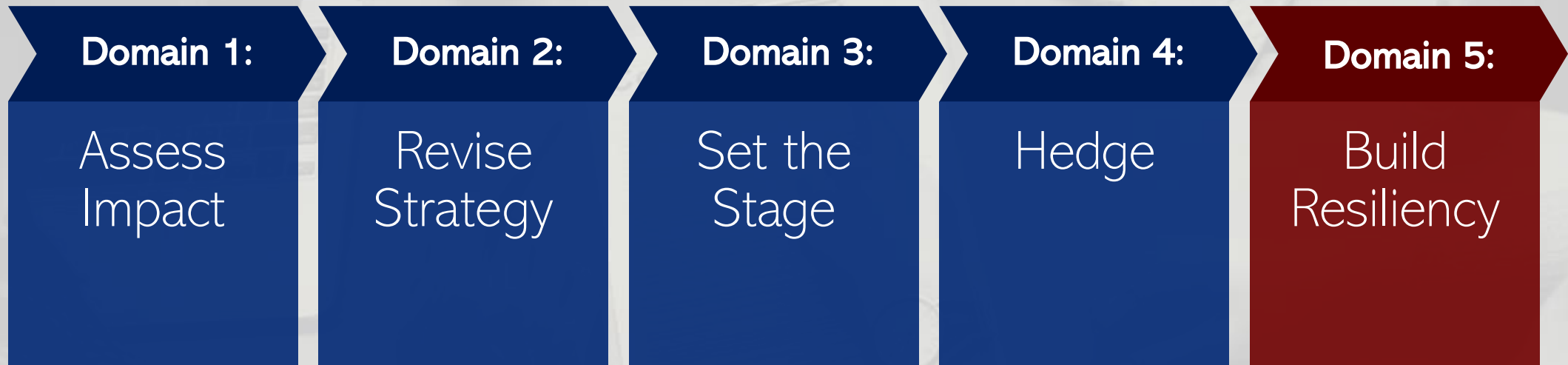
This company partnered with other small business to mitigate their declines while helping providing value to the partner companies:

<https://www.kcrg.com/content/news/Pressing-company-hurt-by-COVID-19-looks-to-partner-with-other-small-businesses-569958551.html>

Considerations & Notes:

- Hedging can also involve joining forces with another business or forming strategic partnerships. Brainstorm how you can bring value to another company. Is there a pain point you can solve for them using your idle employees in a mutually beneficial system?
 - For example, contact a business and create for them a set of coupons their customers can use for a discount. Your company can market and distribute these coupons, getting a cut of what new customers pay.
 - The business you reach out to wins by getting more customers through your company, the consumers win by getting discounts, and your company wins by getting revenue from simple referrals.
- Companies have also effectively hedged by pivoting to create entirely different products/service offerings, such as protective equipment and consulting.
- Would a "DBA" make sense for your business? A "doing business as" trade name can help your company rebrand (temporarily or permanently) without having to change legal structure. This is a low cost, rapid way to pivot and potentially hedge.

Guide Progression



Build Resiliency



Planning for new lockdowns.



Ensuring business continuity.



Building a war chest.

Build Resiliency

Planning & Resources

Think though...

- How can you build organizational knowledge? Investing in learning and developing system for business continuity is essential. Consider shifting to a decentralized company structure and decision-making process. Learn more: <https://smallbusiness.chron.com/advantages-decentralized-organizational-structure-603.html>
- Establish and VERIFY protocols that will enable your business to shift to remote work quickly. Such systems are needed but *testing them* is key. Simulate a crisis when your business resumes typical (or close to it) operations. ***Ensure your protocols works!***
- Start building a cash reserve, even a modest start can make a difference long-term.
- **Sources concerning business resiliency:**

<https://www2.deloitte.com/us/en/insights/economy/covid-19/guide-to-organizational-recovery-for-senior-executives-heart-of-resilient-leadership.html>

https://www.ey.com/en_us/transactions/companies-can-reshape-results-and-plan-for-covid-19-recovery



BUILD RESILIENCY

Portfolio Company Insight:

Several portfolio companies have adopted a hybrid approach to working, goals are set for the quarter and work can progress even when the internet goes down. Our production company based in Africa is building capacity to self-produce essential crops, process them internally and bottle products in-house without the need to even access roads or the internet. In a crisis, they will be able to work in self-sustained isolation for up to 6 months!

External Company Spotlight:

This company proved resilient through foresight and preparation:

<https://www.fastcompany.com/90505053/a-17-year-olds-business-made-millions-on-amazon-now-its-pivoting-to-masks>

Considerations & Notes:

- Carefully consider what happens if the company's chief or other executives and employees become ill.
- Create a company playbook directing emergency scenarios for personnel suddenly thrust into decision-making roles.
- Develop training videos, guides and an expedited onboarding process to continue operations with temporary personnel when staffing challenges arise.
- Develop a system to communicate quickly with your team, integrating Slack channels or related methods. In line, have a system of communicating with customers in times of crisis.
- Learn! Seek to understand supply chains and look for ways to stay ahead of the curve.
- Review this great source with historical insight:

<https://www.business.com/articles/business-resilience-covid-19/>

Recap

- For your business to emerge stronger:
 - **Assess Impact:** Understand the past and present to tackle the future.
 - **Revise strategy:** Quickly adapt to the changing landscape.
 - **Set the stage:** Identify the new foundations and conditions your business needs to thrive, then actively work to implement them.
 - **Hedge:** Mitigate risk, form partnerships and have backup plans in place.
 - **Build resiliency:** Restructure, plan and stress-test your company to ensure you can withstand another downturn.

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