

Steps to take right now in challenging times

with Mike Michalowicz and Ramon Ray

Key takeaways from guest speaker Mike Michalowicz

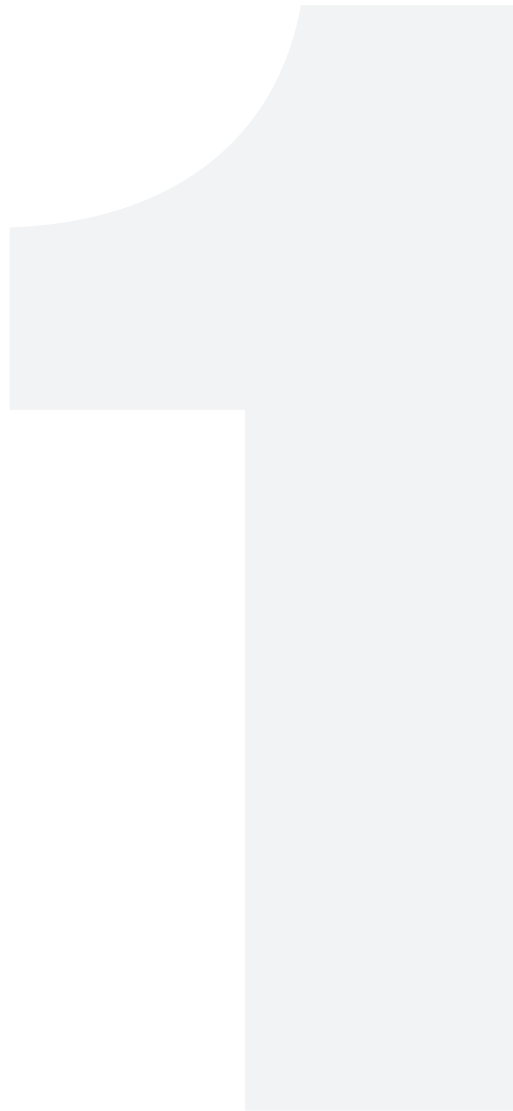
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“A professional firefighter jogs lightly toward a fire, carrying the heavy equipment. A rookie runs at full speed but is too tired to fight the fire. Take your time and re-evaluate what is best for the business and its customers.”

— Mike Michalowicz



Reduce cash flow.

Don't cancel credit/debit cards during a crisis — reissue them.

Credit card companies will provide a new credit card number.

Don't transfer any subscriptions; vendors will begin to contact you.

Renegotiate terms or eliminate subscriptions.

This makes it easier to be aware of items you may have forgotten about and you can choose to continue or not.



Create a General Ledger (GL) account.

Track COVID-19-related expenses separately to articulate spending.

It's easier to do this in real-time rather than try to look back in time to capture these details.

Examples include cleaning supplies, equipment to enable working from home and specialized meeting expenses.

Isolating these expenses is important if the business needs to do a recast, and it's especially helpful for obtaining a future loan or selling the business.

Track expenses – do not track lost revenue.

A GL account will help the business prepare for any pending government subsidy or relief.

A GL account is useful for insurance claims so that reimbursement is more likely.



Take deliberate action.

When an event triggers shock and panic in the marketplace, businesses must respond to the environment.

If the shock effect leads to inaction, businesses collapse.

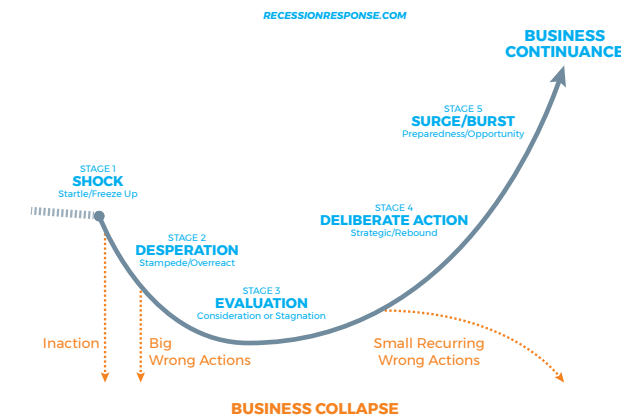
Instead, take deliberate action and smaller steps. It's not just what's the only action to take, but what's the right action to take.

Prioritize your problems.

Pause to evaluate and determine the best way to serve the business.

Businesses that survive a recession are stronger than before and are ready to meet the burst of pent-up demand.

THE BUSINESS CRISIS TREND



ADDITIONAL RESOURCES

Fix This Next fixthisnext.com Profit First profitfirstbook.com Clockwork clockwork.life The Pumpkin Plan pumpkinplan.com

Get Professional Support:
fixthisnext.com
profitfirstprofessionals.com
runlikeclockwork.com
pumpkinplaninyourbiz.com

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Take one step back.

Identify the current core deliverable driving the business and repackage it into mini-products.

What happens one step before that? And one step before that?

This can help the business pivot and still fulfill the original core deliverable.

For example, a restaurant's core deliverable is to feed people. The step before that is someone preparing the food. The step before that is someone buying the food. The step before that is someone growing the food.

A restaurant could film the food prep and offer instruction for so many who are now cooking at home. It could create DIY food or dessert kits to go with filmed prep instructions. It could partner with a food truck to deliver the food. Or it could partner with a local farmer and provide instruction for those who want to grow their own food.



Avoid superhero syndrome.

If the business owner always swoops in to resolve the problem and save the day, it can create an artificial dependency.

Start systemizing the work instead.

Record any process that you do, either on video or on paper so that employees can refer to it in your absence.

Once you give the recorded process to someone else, require them to make their own, brand-new video or paper on the same process.

They will master the process by teaching it to others and the business will gain new intellectual property.



Amplify communications appropriately.

During stressful times, communicate more frequently, but in smaller bites.

First, wish your customer well and let them know you are here and available to help.

Survey your customer to ask how you can be of service, and what they would like to know/see/do.

Limit each communication to one tidbit or topic.

Subsequent contacts should include information that can help your customer succeed or be prepared.

These should not be sales-oriented.



Reassess your business hierarchy of needs.

All businesses have a similar underlying DNA and basic needs.

Review the hierarchy and adjust the hierarchy to varying degrees.

Remember that sales do not cure everything. Sometimes you may need more stability or efficiency.

Sales are the oxygen for the business.

Profit creates stability via retention of cash.

Order is the creation of efficiency. This is not achieved by the owner working 12 hour days, but by embracing technology and transferring the work load to full or part-time employees.

Impact is the creation of transformation. It's not about the commodity you sell, but about the impact you have.

Legacy is when you are no longer a business owner, but rather a steward of something you brought to life that is greater than yourself, it's beyond you.

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