

EFFECT OF COVID-19 PANDEMIC ON SMALL BUSINESS

Dear Business Chamber Members,

A wise man once said “Entrepreneurs find opportunity in strife. They see solutions where others see problems. They see profit when others see pain. They are glass half full kinds of people”.

However, the Covid-19 pandemic is ripping through the world and if you run a business of any kind, you should be paying close attention to the movements of this pandemic and be ready to face difficult times. Blind entrepreneurial ignorance is not wise when our country is on lockdown and Covid-19 is destroying tourism and restricting standard levels of spending that maintain our dire economy.

The business chamber thought it prudent to make a list of things that small business owners should consider doing right now to prepare for the rough months ahead:

1. **Have a good understanding of your financial situation**

Financial management (including cash flow management) is extremely important during this time to ensure sufficient cash on hand to pay commitments

Consider cutting expenses and negotiating discounts.

Speak to your landlord about short-term rent reductions.

Start to call anyone and everyone who owes you money! Get paid immediately, don't wait and don't take no for an answer. Forget about the payment terms on the invoice, call the customer and ask if they can



pay sooner or immediately and don't take no for an answer. You can offer discount for early payment if possible.

Check if there is possibility of claiming from your insurance if certain conditions occur.

2. Really get to know your employees and make the hard decisions if required

Take time to understand the individual circumstances of your employees. You might need to make the hard choice of letting people go, reducing working hours and/or negotiating salary cuts.

If you want your business to survive, make the hard decisions quickly and work to implement the changes as soon as possible.

3. Start selling and exceed client expectations

Every business thrives solely on its sales, as the revenue generation revolves around the efficiency of its sales strategy. More than ever, your business will depend on the execution of a good sales strategy.

Your clients are also having a difficult time and anything you can do to make it better will make an impression that will endure and enable you to rise above the rest.

Control what you can control. "Rather than focusing on how bad it is, focus on how you can use this time to connect with your clients".

4. Make the shift to digital

Can your meetings take place online and can your service / product work in a world that limits physical interactions? If not right now, then how quickly can you make that happen?



Can you unlock a new market somewhere else using online methods? Think about every aspect of your business and decide if it can move to a digital space

Start doing video sales calls to customers across the world.

It is also a good idea to start diversifying your sales channels. Do you use AdWords, LinkedIn ads, Twitter, Facebook, TikTok and other platforms to promote your business if 'no', then get started?

5. **Meet with peers and competitors**

Business owners are all in the same boat. Use Brainstorm sessions to figure out the best way to reignite the industry.

Support local businesses as far as possible. It is harder for small businesses to survive this crisis and they rely on local support.

6. **Engage your supply chain**

To ensure that your business stays sustainable, it is imperative to ensure your suppliers can supply you with product. Find out what their contingency plans are. Consider keeping more stock of bestselling items, negotiate longer payment terms, or alternate suppliers.

Evaluate any contractual risks. Review your contracts and determine what the impact would be if breaches occur.

7. **Review your business model**

Use this crises to assess if your business is performing optimally. Can you offer your service in a different way or enter new markets? Form partnerships with supplementary businesses.



Make your business safe for customers. Limit the number of clients at a time, clean trolleys and counters regularly, provide hand sanitisers and put up education notices.

The coronavirus crisis is a story with an unclear ending. What is clear is that the human impact is already tragic, and that business owners have an imperative to act immediately to protect their employees, address business challenges and risks, and help to mitigate the outbreak in whatever ways they can.

We trust that the few items shared with you will assist you in these challenging times and we wish you all the best.

Please do not hesitate to call on us should you require any assistance and/or more information regarding the above. We are ready to support you!

Kind regards



Chairperson

