

# Small Business Survival Check List

## **Be proactive in addressing the following areas:**

- *Solve the Cash Crisis*
- *Get Control of Your Finances and Look at Your Costs*
- *Improve Efficiencies*
- *Refocus on the Market and Initiate Low Cost Marketing Programs*
- *Address Personal and Personnel Issues*
- *Strengthen Your Business Relationships*

## **Solve Any Immediate Cash Crisis**

- Organize financial data in one place
- Make a list of the problem areas
- Set priorities for collections and payables
- Determine next day's tasks each night
- Set time frame and goals for cash management
- Call for professional assistance

## **Collect Accounts Receivable**

- Bill customers as soon as possible
- Use aging reports to manage and project cash flow
- Collect everything now
- Call everyone -- Don't wait
- Begin collection for overdue accounts approaching 90 days
- Pick up large checks in person, if possible
- What to say? Contact for specific suggestions
- Set firm credit policies
- Require cash payment at time of service
- Make all invoices due within 30 days
- Send collection letters at 30/45/60 days
- Place overdue accounts on COD

## **Contact Creditors**

- Prioritize who to pay first -- for example, IRS, bank, landlord
- Complete a cash flow forecast before setting a payment plan
- Talk to decision makers and keep in constant touch
- Offer partial payments, if possible
- Keep payment promises
- Get professional help with projections and negotiation strategies

## **Lenders**

- Renegotiate existing loan terms
- Consolidate debt
- Request interest only payments
- Past due taxes
- Contact all agencies immediately
- Respond to tax collection letter promptly
- Complete cash flow forecast before agreeing to a payment schedule

## **Adjust Prices and Reduce Costs**

- Be competitive in pricing and value
- Revise pricing to improve sales and profits
- Charge extra for emergencies, deliveries and other value-added services
- Eliminate discounts and giveaways
- Ask landlord for rent reduction or restructure to allow a short abatement period
- Rent out unused space
- Reduce personnel expenses -- for example, hire part-time, use interns, eliminate overtime
- Ask vendors / suppliers for trade discounts
- Reduce personal expenditures -- for example, travel, and entertainment
- Sell unproductive assets

## **Manage Inventory**

- Review inventory levels every month
- Liquidate everything that has been on the shelves over 90 days
- Sell outdated items at cost, if necessary
- Restock shelves with faster-selling items
- Buy using "Just-In-Time" ordering processes, if possible

## **Require Accurate And Timely Accounting**

- Create and interpret financial statements
- Get involved -- bookkeepers and accountants can't do it all for you
- Review financial statements regularly to make timely management decisions
- Forecast short term cash flow
- Call for professional assistance

## **Establish Checks and Balances**

- Implement financial controls
- Enforce cash handling policies
- Review financial reports every month
- Reconcile daily register close-out with bank deposits and credit card transmittals
- Prevent opportunities for embezzlement
- Divide financial responsibilities and functions
- Require checks to have two signatures, if possible
- Limit check endorsements to the owner
- Examine payroll records for accuracy

## **Focus on Marketing**

- Redefine the core target market and think about a "niche focus"
- Look for complementary areas requiring minimum start-up capital
- Reassess your marketing strategy
- Continue to invest marketing dollars
- Understand that carefully invested marketing dollars and active business promotion will only generate more sales
- Keep in touch with current and past customers
- Thank them for their business
- Suggest another specific product or service
- Ask for referrals
- Repackage services to accommodate smaller clients and reduced budgets
- Examine the best and least costly way to contact customers
- Find the "hook" that will trigger a response
- Watch for new trends and look for opportunities to provide solutions

Note -These are only interim steps -- not the marketing plan

## **Pay Attention to Your Retail Image**

- Appearance counts -- clean it and paint it
- Keep window displays fresh
- Add lighting to highlight product displays
- Clean or install new carpet
- Remerchandise products and shelving
- Install attractive and descriptive signage
- Train employees to deliver top notch customer service

## Set Critical Business Policies

- Decide on behavior that is essential for business success
- Set policies for customers and suppliers that will contribute to your success
- Set policies for employee behavior that meet customer expectations
- Hold everyone accountable

## Be an Effective Business Owner

- Refine your business skills
- Attend workshops in subject areas where you need support
- Invest time in solving problems
- Make a commitment to improve
- Practice what you preach
- Communicate with customers, employees and suppliers
- Talk with other business owners -- you are not alone
- Seek professional consultation



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