

Miami Herald

Tweaking your middle market company to survive the crisis

July 17, 2020

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Despite the bumpy rollout, the CARES Act PPP program provided forgivable loans to about 4.5 million businesses. There is concern that many middle market businesses have exhausted much of the available assistance, although Congress has extended the Paycheck Protection Program until Aug. 8. With

the crisis continuing and no end in sight, here are four areas business owners should address as they look to ride out tough times ahead.

1. REAL ESTATE

An obvious avenue for adjustment is a reevaluation of your company's office space needs, both short and long term. How much real estate do you really need to operate in this new era? If your business is work-from-home friendly, maybe your best play is to shrink your footprint. In the short term, consider not renewing your lease and putting your furniture, fixtures and equipment (FFE) in storage, or approaching your landlord for rent relief. It's best not to rush this decision. It could result in growing pains and inefficiencies later, but in the near term, until we can find a vaccine, this might make sense for your company. If your business has employees who cannot work from home and are scattered across a large area, consider splitting your office space into multiple, smaller locations.

2. EMPLOYMENT AND STAFFING

With consumers spending less and leaving their homes infrequently, the next area worth evaluating is whether your business is rightsized from a staffing perspective. It's a tough decision, but now is the time to act, especially with PPP money running out. If you must cut employees, do you reduce hours and retain more employees, or do you concentrate on your core staff and let others go? The nature of your business should tell you which direction to take.

Remember, it's not all doom and gloom. This pandemic has also presented some companies with opportunities, while others may need to add employees with new and flexible skill sets. There is a lot of newly available talent, hire now if you need them. This might be a great time to strengthen your team and acquire human capital not previously available.

3. HEALTH AND SAFETY

If you want to retain and attract more customers, you need to make them feel

safe. Have policies in place for the health and safety of your team, which translates into health and safety for your customers. Consider providing COVID-19 testing options for returning employees and have a policy in place for employees who test positive, including a return-to-work plan. The CDC has guidance that is available. There are even companies like FocusPoint International that provide pandemic screening and business continuity services. Aside from testing, medical screenings, or even quarantining a large workforce, they can also implement software that tracks the infected, provides contact tracing and lets management know when it's safe for employees to return. Consult with an attorney to ensure confidentiality and privacy is not violated. Many of these protocols can help to limit health concerns for your customers before they enter your place of business.

4. PRODUCTS & SERVICES

If your products/services are particularly suited to addressing needs raised by the pandemic, then focus on and expand those offerings. But for most companies, this may be the time to consider reducing or tweaking inventory/product mix to increase efficiencies and help cash flow. With consumers and businesses wary of spending, hone your marketing messaging to distinguish your offerings from competitors. Stay in front of customers and continually refine your message. The new normal is a moving target, it's crucial that you show your clients and customers that you know this.

We seem to have moved past the period of generous government assistance to help keep businesses afloat. More assistance may be coming, but we do not know when or how much or to whom. More and more, company owners must look to themselves to endure through turbulent times. Focus on what you need to survive over the coming months, so that you can be a survivor in the years to come.

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