



3 Expert Strategies for Curbing Coronavirus-Related Business Losses

Business experts offer their best tips for businesses who are struggling during the COVID-19 pandemic.

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The worldwide coronavirus outbreak threatens to disrupt operations for companies large and small for the foreseeable future. In fact, 82% of business leaders [recently surveyed](#) by the Young President's Organization anticipate revenue declines over the next six months. To help stem losses, 95% of chief executives polled are taking action, including canceling major events (64%), nixing business travel (53%), cutting costs (39%), and allowing employees to telecommute (28%).

There's much you can't control during uncertain times like these, but you can take steps to protect your enterprise from being financially crippled by COVID-19. While we recognize that there is no one-size-fits-all solution, following are three expert-recommended strategies to consider in helping your business survive the pandemic.



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James Cassel, co-founder and chairman, Cassel Salpeter & Co.

Forecast cash flow and boost liquidity

James Cassel, co-founder and chairman of investment banking firm [Cassel Salpeter & Co.](#), said your company’s survival depends on addressing financial/liquidity issues during this crisis.

“Create a 13-week cash flow forecast, which should be stress-tested to explore likely scenarios, including worst-case scenarios,” he said. “Here, you must consider your cash needs looking ahead after thoroughly reviewing fixed and variable expenses.”

Concurrently, seize every opportunity to maximize cash inflow by offering cash reductions to customers and clients who pay more quickly.

“You also want to make what you have last longer. To help, reschedule where you can toward a longer payment period for outstanding expenses. And head to the negotiation table with your vendors, keeping in mind that many of them are facing the same issues you are,” added Cassel.

Lastly, amplify liquidity via extended credit, a second mortgage or a business loan. Small business owners impacted by COVID-19 [in many states](#) are now

eligible to [apply](#) for a U.S. Small Business Administration (SBA) low-interest loan.

Coronavirus Guide for Small Businesses

CO— is working to bring you the best resources and information to help you navigate this challenging time. Read on for our complete coronavirus coverage. [Coronavirus Small Business Guide](#)

Log your liabilities

Risk management consultant Frank Russo, founder/principal of [Procor Solutions](#), preaches the significance of proper documentation in the weeks and months ahead.

“As costs begin to pile up and losses are evaluated, small businesses must act now to document all impacts and losses related to the coronavirus in a clear and comprehensible manner,” he says.

Effective record-keeping can, for example, improve your chances of getting reimbursed punctually for business insurance claims and receiving assistance from the federal government or your local small business administration.

Russo specifically advises two key steps. First, establish a separate account number or charge code in your cost accounting system under which all COVID-19-associated costs/losses will be captured; this will be the tracking mechanism used to evaluate all such costs across your business. Second, calculate your company’s operating “baseline”—which means conducting a two- to three-year review to compare your business’ performance before and during the pandemic.

“Sound financial supporting documentation and memorializing and updating the story of your interruption is key,” said Russo. For help with these tasks and expert guidance, “it’s also important to reach out to experts who deal with business interruption events, including attorneys, insurance brokers, risk management professionals and CPAs.”