



# BUSINESS RESPONSE PLAN

Weyburn & Area Business Task Force - in response to COVID-19



April 2020

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## INTRODUCTION

Response planning is critical in adapting business operations to changing conditions in the business market and establishing a resilient business plan. These 6 steps are intended to assist you and your business through the current pandemic crisis.

## 1 - START WITH HEALTH & SECURITY

Covid-19 is a human problem - a human response is in order - so let's take care of our people first. Here are some important questions you can ask.

### **Have you implemented best practices to keep employees safe?**

For those of you who are still in operation, identify the health and safety practices you must take to prevent further transmission. Institute the necessary safe distance practices and incorporate the use of gloves, plexiglass barriers, and so on.

### **Can your people work remotely?**

As much as possible, allow your employees to work from home to minimize contact and maintain social distance. Can you start selling online? Can your services be delivered remotely? Are you able to quickly launch a delivery service? Do your best to implement solutions that can maintain a portion of your revenues while keeping employees and customers safe.

### **Do you have a contingency plan for quarantined employees?**

What will you do if one or more of your employees is quarantined and can no longer come into work? Can someone else take their place? It can be an idea, for instance, to create different work teams to minimize the risk of your entire crew being forced to isolate.

### **Is paperwork being expedited to reduce financial distress of laid-off employees?**

Be sensitive to the financial distress personnel may be experiencing, especially look for options to alleviate this the best way you can. This will go a long way toward building employee loyalty.

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## 2 - REVIEW

In reviewing the steps in the business response plan, consider how your business is impacted over the next 2-3 months. Complete a review of the expenses that are necessary to your business. Review opportunities to either remove, reduce or defer expenses. This is all about preserving cash flow. Some common examples include:

- Private snow removal
- Utilities (SaskPower, SaskEnergy)
- Vendors (software, POS systems etc.)
- Suppliers
- Adjust monthly tax billing to yearly
- Garbage removal

An additional operating expense that should be reviewed, if not already, is staffing. The Federal government has provided detailed information regarding supports for workers that have been laid off or have reduced workloads. While employment insurance is one option for laid off workers, other options for business include work sharing and wage subsidies. Additional information regarding these supports can be found here: [Federal Economic Response Plan](#)

## 3 - COMMUNICATE

Business owners should be communicating with their landlords and lending institutions (if applicable). Understand the options that are available to you, and engage with your landlords and lending institutions with a plan. Here are some options for these conversations:

### A. With your landlord:

- **Rent Reduction:** reducing a portion or all of applicable rent, operating expenses or both
- **Rent Deferral:** deferring a portion of rent to a later date as a lump sum or across the term of the lease.
- **Rent Abatement:** forgiving a portion of the rent
- **Loan Conversation:** rather than abating past due rent, a landlord may agree to convert the past due rent into a loan, payable over time. This would require additional financing measures such as a promissory note.
- **Application of Deposit:** if the landlord holds a deposit, this amount could be credited against current obligations.
- **Subletting:** bringing in a new tenant to help reduce or eliminate rent obligations.

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## **B. With your lending institution:**

Canada's major lending institutions are stepping up to help support small businesses, their clients. Most of them are offering to tailor approaches to their clients needs, including offering:

- Low to no interest business loans
- Deferrals on commercial mortgages
- Deferrals on payments on loans or credit cards
- Removal of interest on loan payments
- Increases to operating line of credit limits
- Waiving of credit card minimum payments
- Waived fees for new enrollments to cash management solutions.

## **C. With your Accountant/Lawyer/Financial Advisor/Insurers and other professionals that can provide advice.**

Remember that these are only options. It is important that your business have a plan for the short and long term, and these discussions and the solutions that come out of them make up only a part of that plan.

## **D. Reach out to customers**

As you start to make changes in the way you do business over the short term, there will be a corresponding effect on your cash flow. And with changes to your plan, you need to take the time to understand the financial impact of these changes and develop a cash flow forecast that reflects these changes.

## **E. Reach out to suppliers**

Supply chains are constrained and if your supplier is overseas or relies on imports you risk disappointing your customers.

- Confirm timely delivery of supplies
- Negotiate differed payments
- Identify health and safety suppliers

## **4 - EDUCATE**

Resources available for employees and businesses is changing daily. It is imperative that you stay up to date with what is available to you. Below is a link that provides a comprehensive listing of resources available for your business.

**Both sets of information are updated as new information is available:**

The Weyburn & Area Task Force is a collaborative effort between the City of Weyburn, Rural Municipality of Weyburn, Weyburn Chamber of Commerce, and Weyburn Regional Economic Development, in response to the COVID-19 Pandemic, with representatives from local administration, public office and the business community.

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Weyburn Chamber of Commerce has a concise list of links for business:

[weyburnchamber.com](http://weyburnchamber.com)

[weyburn.ca](http://weyburn.ca)

[rmweyburn.ca](http://rmweyburn.ca)

[weyburneconomicdevelopment.com](http://weyburneconomicdevelopment.com)

## 5 - ADAPT

The ever-changing COVID-19 pandemic is forcing businesses to adapt. There are examples throughout the community of businesses that are shifting their mindset and business models to reach their markets. Some examples of this include:

- Renting out of equipment - this option has become common among gym, fitness studios and recreational service providers.
- Take-out/Delivery option - while most common with restaurants, a variety of businesses in the retail sector are adopting take-out/delivery options.
- Pickup/Delivery - this option is more common with service-based businesses such as automotive shops. This includes a no interaction process where the business picks up the vehicle and drops it off.
- Video streaming online - service providers who are unable to distance accordingly, have adopted online delivery methods to provide their customers with valuable content. Common examples of this include online fitness, cooking and education classes.
- Gift Certificates - if you haven't already instituted a gift card program, now is a great time to do so. Another option is to look at providing a "bonded" style gift certificate, that has an initial cost that increases once the gift certificate is redeemed. (i.e. \$75 today, for \$100 worth of product/service at a later date)
- E-Commerce - explore different ways to promote your business online, whether it is through a website, or various social media outlets.
- Drive Thru option - not just an option for restaurants. If you can maintain proper social distancing and even offer payment beforehand (online, over the phone) this is a quick and viable option.

**If you are doing something a little different that is working well for your business then share it with us!**

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## **6 - PREPARE FOR RECOVERY**

There is a light at the end of the tunnel. We just don't know how long that tunnel is. At recovery you will need to stay ahead of the game:

- firm up orders
- purchase materials
- recall employees
- receive new shipments
- operationalize

Plan your cash flow for the recovery phase as well. When things start to turn on, you will need to spend money to earn money. It would be a shame to ride the dip and then not have enough resources to bring your business back to normal.

All your plans should include at least a four-week recovery period. As you roll your cash flow forward each week, this recovery will be automatically built into your working capital estimates. With orders back in your business, you will have the funds to operate.