

Five Steps You Can Take Right Now

With the first round of the money for the Paycheck Protection Program Loan (PPPL) exhausted and Congress negotiating a second round of funding, Stratus knows that business owners and cooperative leadership are frustrated but we encourage you not to get discouraged. Below are five items you can implement right now to build your relief plan without waiting for the government. We believe these items will help you avoid the paralysis that is common in a crisis, save yourself money and position your organization for long-term growth.

- **Create a 6 Month Cash Flow Projection:** If you have not done so already, update your cash flow projections for the next 6 months given your new normal for revenue. Then document all your fixed and variable expenses. Finally, take your current cash position and see how long it can cover monthly losses. Being honest about where you are today and how your business may contract in the coming months allows you to access cash resources well before you may need them.
- **Complete an Analysis of your Activities and Services:** It can be easy to become paralyzed when you look at the cash drain your business may experience over the next several months. To help foster a more optimistic mindset, we encourage business owners, cooperative leadership and their staff to use [this template](#) to identify the activities and services that are key to driving their operations. A crisis can be a great time to prune your unproductive operations, saving money now and setting your organization up for long-term revenue and net income growth.
- **Call your bank and landlord today:** Many of us have a line-of-credit (LOC) with a bank for large purchases, working capital and/or for business expansion opportunities. However, at this point, your LOC is one of your best sources of immediate cash. We suggest calling your banker today to discuss updated terms. You ultimately may not need the cash but making sure your banker knows you are interested can be useful if lending tightens in the future.
Further, if you rent property, read through your rental contract and then call your landlord. You may be able to work out an adjusted payment plan that helps to ease your cash outflow. If, on the other hand, you own the property where you operate, think about reducing the payment to yourself (if you make one) and put off upgrades to your facility. Adjusting or reducing your cash outflow each month can help you keep someone on payroll or pay a driver for an extra delivery.
- **Create a “Brain Trust” with other local businesses:** While the pressures are different depending on your industry, all businesses are grappling with the dilemma of how to continue operating during a health crisis that is causing an economic slowdown. In this uncertain environment, reach out to local business owners and set up a biweekly 30-minute call to share frustrations, concerns, fears and best practices. It can be therapeutic to share your frustrations and fears and enlightening to hear what your colleagues are doing to combat the drag on their business caused by the coronavirus.
- **Document Your Business Interruption Claims:** Although insurance companies typically deny business interruption claims for pandemics, there is a lot of uncertainty around how the coronavirus will be treated and whether state and local governments will step in to provide business interruption coverage. Therefore, it is prudent to begin documenting your business interruption claims and what you are doing to mitigate these interruptions. To help you with this task, please refer to [these tips](#) posted on Stratus’ website.

We wish the best for each of you and hope you, your family, your employees and your community remain safe and healthy as we all come together to create a stronger future.