Tips for Operating Your Business During this Crisis
Who is the Kansas SBDC?

- Grant-Funded Program
- “Growing Kansas Entrepreneurs”
- Serving Entrepreneurs, Start Up and Existing Small Businesses in: Johnson, Wyandotte and Miami Counties
- Become a Client of the SBDC Office Near You: https://www.kansassbdc.net/
Two-Step Cash Strategy

- Step 1: Apply for EIDL and Request Emergency EIDL Grant
  - No cost to apply
  - Minimal information required - only revenue and COGS
  - You don’t have to take the money or even be approved
  - Amount up to $10,000 - determined by SBA
  - Fast Cash

- Step 2: Apply for Paycheck Protection Program
  - Favorable terms
  - Much can be forgiven
  - 6 months to start payments
  - Cash supplement to business
Build a Cash Flow Plan

- Look out a minimum of 13 weeks
- Determine funds needed and when you will run out
- Be realistic about sales in this period - don’t assume instant recovery
- Review bills and contact landlord, banker, vendor, etc. Ask for more time to pay
  - Keep communicating and don’t burn bridges
Build a Cash Flow Plan (13 Weeks)

Step 1:
How Much Cash Available?
- Count All Available Cash
- Add Up All Bills and Payments Due Now
- Net Cash Available

Step 2:
What's Your Gap in Funds?
- Net Cash Available
- Total Future Expenses
- Gap in Funds

Step 3:
What's Your Burn Rate?
- Total Future Expenses
- 3 Months
- Avg Monthly Expenses (Burn Rate)

Step 4:
How Much Time Do You Have?
- Net Cash Available
- Avg Monthly Expenses (Burn Rate)
- Time Before Running Out
# Example Cash Flow Plan

## Step 1: How Much Cash Available?

<p>| | |</p>
<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Available Cash</td>
<td>$ 2,800</td>
</tr>
<tr>
<td>Minus</td>
<td>$ 1,500</td>
</tr>
<tr>
<td>Equals</td>
<td><strong>$ 1,300</strong></td>
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</tbody>
</table>

## Step 2: What's Your Gap in Funds?

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<table>
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<tbody>
<tr>
<td>Net Cash Available</td>
<td>$ 1,300</td>
</tr>
<tr>
<td>Minus</td>
<td>$ 2,400</td>
</tr>
<tr>
<td>Equals</td>
<td><strong>$ (1,100)</strong></td>
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## Step 3: What's Your Burn Rate?

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<table>
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<tbody>
<tr>
<td>Total Future Expenses</td>
<td>$ 2,400</td>
</tr>
<tr>
<td>Divided by Plan Period</td>
<td>3 months</td>
</tr>
<tr>
<td>Equals</td>
<td><strong>Average Monthly Expenses (Burn Rate) $ 800</strong></td>
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## Step 4: How Much Time Do You Have?

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</thead>
<tbody>
<tr>
<td>Net Cash Available</td>
<td>$ 1,300</td>
</tr>
<tr>
<td>Divided by Monthly Burn Rate</td>
<td>$ 800</td>
</tr>
<tr>
<td>Equals</td>
<td><strong>Time Before Running Out 1.6 months</strong></td>
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Other Tips

- Remember Cash is King!
- Reduce Expenses and Maximize Margins
- Lead and Communicate With Employees
- Focus on Your Customer - Be Transparent
- Build Rapport and Create Relationships
- Think Out of the Box