



**Small Business  
Development Center**  
**UNIVERSITY OF GEORGIA**

# GUIDE TO CONQUERING A BUSINESS CRISIS



- Cash Management
- Pricing and Cost Containment
- Supply Chain Management
- Marketing



*The UGA Small Business Development Center (SBDC) is a Public Service and Outreach Unit of the University of Georgia, funded through a cooperative agreement with the U.S. Small Business Administration (SBA).*

# CASH MANAGEMENT

- Prioritize who to pay first.
- Have conversations with vendors to ask for longer payment terms or partial payment.
- Have financial records in one, easily accessible place and review them daily.
- Review financial information and forecast cash needed to operate the business. Know your financial data well. Don't rely on your CPA to tell you how the business is going.
- Address problem areas where costs are out of line.
- Regularly review customer accounts and have solid credit policies in place.
- Place slow pay customers on COD or pre-payment.
- Require cash payment at time of sale.
- Talk to lenders about renegotiating existing loan terms and interest-only payments for a while.
- Keep payment promises (Don't make promises you can't keep).
- Work with federal and state government agencies about payment of past due and coming due taxes.
- Don't ignore collection letters from federal and state government agencies. They can freeze your bank accounts, cutting off access to cash.
- Have a line of credit in place, review it annually and adjust as needed.
- Sell unproductive assets now. Don't wait until a crisis.
- Consider business credit cards, but understand the risk.
- While no one enjoys laying people off, have a plan to reduce labor if needed. Check with the Georgia Department of Labor about unemployment programs available to business owners in distressing economic times.
- Reduce embezzlement opportunities by limiting check signing to the owner or requiring two check signers. Examine payroll records for accuracy and reconcile bank statements and credit card registers daily.



# PRICING & COST CONTAINMENT

- Reduce unnecessary expenses like travel, entertainment and other areas that do not contribute to revenue generation.
- Review personnel requirements. Are vacant positions are really needed? Can duties of vacant positions be divided among other employees or performed by part-time workers or temporary workers? A lean workforce before a crisis, will help you survive.
- Eliminate discounts and giveaways.
- Review pricing and value. Don't cut prices in panic mode.
- Discuss rent reduction with your landlord.
- Consider renting unused space to other business owners.
- Negotiate discounts with vendors, when possible. Remember, trying times impact them too. They may be willing to offer short-term discounts they otherwise wouldn't.

**Contact your local UGA SBDC office for assistance with any of the items in this guide. With 17 offices across Georgia, there is an office near you. A complete list of offices is available at the end of this document.**

# SUPPLY CHAIN MANAGEMENT

- Review inventory levels regularly. Conduct inventory at least monthly.
- If your POS system has an inventory management feature, enter products as they come in. Your POS system will provide daily inventory information.
- Eliminate slow sellers when reordering and liquidate products that have been in inventory beyond 90 days.
- Consider adding items with faster turn times.
- Look for vendors that provide a just-in-time option for ordering products.
- Stay engaged with your suppliers. Don't wait until a crisis.
- Assess operations and capacity. Adjust as needed.



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## ABOUT THE UGA SBDC

The UGA Small Business Development Center (SBDC) provides tools, training and resources to help small businesses grow and succeed.

Designated as one of Georgia's top providers of small business assistance, the UGA SBDC has 17 offices to serve the needs of Georgia's business community.

## UGA SBDC LOCATIONS

ALBANY  
229-420-1144

WINNETT  
678-985-6820

ATHENS  
706-542-7436

KENNESAW STATE  
UNIVERSITY  
470-578-6450

GEORGIA STATE  
UNIVERSITY  
404-413-7830

MACON  
478-757-3609

AUGUSTA  
706-650-5655

CLAYTON STATE  
UNIVERSITY  
678-466-5100

BRUNSWICK  
912-264-7343

ROME  
706-622-2006

UNIVERSITY OF  
WEST GEORGIA  
678-839-5082

SAVANNAH  
912-651-3200

COLUMBUS  
706-569-2651

GEORGIA SOUTHERN  
UNIVERSITY  
912-478-7232

DEKALB  
770-414-3110

VALDOSTA STATE  
UNIVERSITY  
229-245-3738

GAINESVILLE  
770-531-5681

# MARKETING

- Identify key target customers and consider a “niche focus.”
- Reassess your marketing strategy.
- Consider redistribution of marketing expenditures.
- Communicate regularly with customers to keep relationships:
  - Customer support, business hours, services, special order needs, promotions
- Strengthen digital communications and online presence.
  - Use multi-channels to reach your audience: social media, email, website, text, etc.
  - Develop/update online profiles
  - Update your website
- Use Technology to expand services:
  - Facebook Live, video, e-commerce sites, payment and services apps, video conferencing, chat box, networking, etc.
- Watch for new trends and look for opportunities to provide solutions.