

COVID-19 BUSINESS RESOURCE GUIDE



Mettise



A WORD FROM METTISE

These are unprecedented times.

The way you do business has been altered in big and small ways, in many cases permanently. We are in transition also, creating new ways to help our dozens of clients with their strategic planning, finance, human resources, and business development needs.

After consulting with clients across multiple industries, we have compiled a summary of the information we have found most useful to our community. In these challenging times, we want you to know that you and your business are not alone. We're proud of our business community and know that we can weather this storm. We have your back.



CRISIS FINANCIALS

For many of you, these times will be financially challenging. For some, disastrous. From our professional experiences and interactions with government resources, we've collected some key strategies for mitigating the financial impact of this crisis.

- Prepare a weekly cash flow forecast for the next 3 to 6 months (both current reality and worst case). This will give you valuable information on the potential cash flow shortfall. Knowledge is power and this will help you determine the next steps.
- Payment deferrals – check with your banker, credit card companies and vendors regarding possible deferral of payments for 60 to 90 days.
- Ask for an **increase in your current line of credit** to cover the potential shortfall.
- Work with your team to determine **creative revenue-generating strategies** during this crisis.
- You've probably read about the **Economic Injury Disaster Loan (EIDL)** and the **Paycheck Protection Program (PPP)**. As of April 16th, funding for both was depleted, but keep an eye out in case funding is approved in the future.
- Please **beware of short-term online loans**. They have rapid repayment terms with exorbitant interest rates and could likely create a worse situation for you.



ECONOMIC INJURY DISASTER LOAN (EIDL)

SPECIAL NOTE: As of Friday, a bill for additional funding was passed. However, the situation changes frequently. To stay up-to-date on the status and details of these programs, visit our [COVID-19 resource page](#), our [frequent strategy blogs](#), and [the SBA website](#).

On Friday, March 27, 2020, President Trump signed into law the CARES Act, which provided additional assistance for small business owners, including the opportunity to receive up to a \$10,000 advance on an Economic Injury Disaster Loan (EIDL) for emergency capital. Loans are up to \$2 million, and employers are able to receive an advance of \$1000 per employee, up to \$10,000.

The EIDL loans can be used for fixed debts, payroll, accounts payable and other bills that could have been paid had this crisis not occurred. You can apply for both EIDL and PPP but the funds cannot be used for the same purposes. The interest rate is 3.75% with payback terms of up to 30 years. Loan amounts over \$25,000 require collateral, however, SBA will not decline a loan for lack of collateral. Borrowers will need to pledge what is available.

Payments are deferred for a year. Once your loan has been assigned to a disaster assistance loan officer, they may request additional information.

PAYCHECK PROTECTION PROGRAM (PPP)

SPECIAL NOTE: As of April 24th, a bill for additional funding was passed. However, the situation changes frequently. To stay up-to-date on the status and details of these programs, visit our [COVID-19 resource page](#), our [frequent strategy blogs](#), and the [SBA website](#).

This is an expansion of the SBA 7(a) loan program, and you will apply through your bank. The maximum loan amount is **250 percent** of the employer's average monthly payroll costs. Borrowers are eligible for loan forgiveness equivalent to the sum spent on covered expenses during the eight-week period after the loan is originated. The covered expenses include payroll, rent, utilities and mortgage interest obligations.

To qualify for forgiveness, employers must maintain their pre-crisis level of full-time equivalent employees or else face a reduction in forgiveness proportional to the reduction in headcount. The payback period is **2 years** with a **fixed interest rate of 1%**. Loan payments can be deferred for **6 months**.

Borrower requirements:

- Good faith certification that the loan is necessary because of economic uncertainty caused by COVID-19 and will be applied to maintain payroll and make required payments.
- The borrower must also certify that they are not receiving this assistance and duplicative funds for the same uses from another SBA program.
- No collateral or personal guarantee is required.

Lenders are encouraged to prioritize entities in underserved and rural markets, veterans and members of the military community, small business concerns owned by socially and economically disadvantaged individuals, women, and businesses in operation for less than 2 years.



YOUR PEOPLE

Fortunately, crises are rare occurrences. When they do happen though, they force leaders to manage changing and unfamiliar situations. After working with dozens of leaders and companies, The Mettise Group understands the importance and impact strategic decisions have on the people in an organization. While these are unparalleled times, most leaders have led through ambiguity at different points in their careers and have more experience to draw from than they realize.

Below are some key strategies to consider during this time:

- **Lead Decisively.** During times of uncertainty, your team is looking at you as a leader to guide them. While you don't have to have all the answers, you must act with intention and consistency.
- **Provide Clarity.** As Brene Brown states in her most recent book, *Dare to Lead*, "Clarity is kind." It is important to meet your team where they are. They are afraid of the unknown and the impact on their income and personal lives. Be clear on what options are available to your team and keep them informed and updated.
- **Leverage Your Team.** In times of crisis, it is easy to blur the urgent with the important. Use your team to work through the urgent issues allowing you as the leader to continue to focus on the important areas. Also, consider having strategy sessions with your team to help work through critical issues. When you include more team members at the table, it's amazing what can happen.

Lastly, if you do have to lay off people, you can do so compassionately and respectfully. Work with local chambers of commerce and workforce organizations to find out who is hiring in your area. Provide information about unemployment insurance, and other resources, with the knowledge that employees will likely forget what you're telling them (make sure you have handouts), but they will remember that someone cared enough to provide support.



CAN EMPLOYEES REFUSE TO RETURN TO WORK?

The biggest question on everyone's mind is "when will things get back to normal?" The timeline is still unknown, but what is certain is that you will need to be ready to move quickly when you need employees to return to work.

Many of our clients have made difficult decisions to furlough and lay off employees. Now is the time to prepare for when you will need those employees back. These employees are most likely currently collecting unemployment insurance, so a question we're frequently asked is "Can employees refuse to return to work?"

In short, **no**. Not if they want to continue to stay eligible for unemployment insurance. But, of course, **there are exceptions**.

An employee can refuse to return to work for one of the following reasons:

- A stay-at-home order is in place where the individual resides
- Individual must care for a child whose school or childcare is closed
- An employee is caring for someone diagnosed with COVID-19
- He or she could have a reason to feel unsafe at the workplace, which might be deemed allowable

When an employer requests that an employee return to work, the employer must notify the unemployment agency that the employee once again has work. This notification will cause unemployment benefits to end. Unemployment insurance is contingent on the employee being "able" and "available to work."

It's worthwhile to remind the employee of this fact. If an employee is still refusing to return, remind the individual that unemployment fraud is illegal and could include not only reimbursement of benefits but criminal penalties.

There will be personnel challenges in getting your operation scaled back up. To take your thoughts about rehiring further, read this article from [SHRM](#).

BUSINESS DEVELOPMENT

5 LIES SALESPEOPLE BELIEVE DURING QUARANTINE

In our conversations with clients over the last 4 weeks, it's become clear that the stories we tell ourselves play such a huge role in our diligence and confidence in reaching new clients.

Since the COVID-19 crisis, we've been hearing new stories from salespeople and business owners alike, so we thought it would be a good time to call out those lies and defeat them with what is true:

1. Right now I should communicate with my customers less, not more.

If customers need what you sell, there is no reason to back off communication. You want to be sensitive to their concerns, and your sales emails might look different than they did before a few weeks ago, but don't go silent! Find ways to continue to provide value.

2. My clients are too busy to help me build my email list or write a review.

This is a great time to be building your email list and collecting customer reviews. Lots of people want to support businesses they love right now even if they can't buy from them.

3. People don't want to buy my high-priced item when others are losing jobs.

If your customers could afford your offerings before the pandemic, it is highly likely their jobs are not in danger right now and would still like what you sell. Especially if what you sell is luxury or high-end. Ask yourself, "Do I know for sure that MY customers are those individuals being affected?" If so, then slow down and consider what's next for your business. If not, press on!

4. Because my spouse's job is unstable, It's not a good time for me to invest in my business.

The truth is, if your business isn't ready to provide more income for you right now, then investing in giving yourself the skills you need to sell more may be a smart thing to do. Especially if you are about to be your family's sole source of income.

5. If I sell right now, I'll sound "tone-deaf."

...only if you write like you're tone deaf! Be your kind, empathetic self and you won't sound rude. Sadly, it's true that some people are really struggling right now. But this doesn't mean everyone is struggling right now. Don't decide FOR your prospects by not selling. Your future self will thank you.

To learn more how to escape being stuck and afraid to sell during COVID-19, watch Mettise Partner Catherine Brown's [Zoom presentation](#) from 4/10/2020.



REACH OUT IF WE CAN HELP

We've got your back.

If our team can be of any help to you and your business during this trying time, please reach out to us.

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