

# Preparing Your Business For COVID-19

As small businesses brace for impact, Thinking Capital offers tactical recommendations to combat the coronavirus.

## Background

As of early March 2020, Canada has over 90 confirmed cases of COVID-19, known more commonly as coronavirus disease. Current information suggests that most COVID-19 illness is mild, but due to the rapid advancement of the novel disease across the globe, clinical understanding is not complete.

With the recent developments of COVID-19 both domestically and internationally, global supply chains are being disrupted and consumer behaviours are shifting. [According to McKinsey](#), the economic impact of COVID-19 could range from a quick recovery to a global pandemic.

Even if the world quickly recovers from COVID-19, your business may still be impacted. To brace for this impact, you should establish best practices to prepare for and react to COVID-19. Understanding the symptoms and implementing actionable tactics can help you brace your business for impact.

At Thinking Capital, we are committed to supporting our clients as best as possible during these uncertain times. We're closely monitoring COVID-19 developments, along with how they're impacting Canadian small businesses and the economy overall. To help you run your business with confidence, we've summarized a few important points on how COVID-19 is impacting small businesses and what steps you should consider taking to prepare your business.

## How is COVID-19 Impacting Small Businesses?

COVID-19 will result in people consuming less or purchasing goods in unorthodox ways. Small businesses should also assume that government health officials may ask workers to stay home to contain the spread of the virus. As a result, staff availability and supply chains will be affected.

Companies that rely on imports from Asian markets, particularly in China, are most affected, and many companies have already started to prepare by increasing pricing, changing suppliers, decreasing operational costs or protecting cash flow. Restaurants and retail businesses may experience a notable impact due to consumers being more cautious and suppliers experiencing disruption.



Financing Made Smarter,  
Not Harder.

## What Can You Do To Prepare Your Small Business?

If you're uncertain whether COVID-19 could impact your business, **ask yourself the following questions:**

- Does your business gather customers together in a close setting?
- Does your business focus on in-store traffic, as opposed to online sales or deliveries?
- Does your staff physically handle products or ingredients before they reach customers?
- Do you work mostly with international suppliers versus local suppliers?
- Do you rely on international suppliers to fulfill customer orders?
- Do you rely on international suppliers to order inventory?
- Does your business require staff to work on-site?
- Do you have certain staff members with critical skills or unique functions?
- Does your business have key customers that regularly place orders with you?

If you answered **yes** to any of these questions, it's likely that your business will be impacted by COVID-19. These impacts could range from minimal to significant. To mitigate these potential impacts, **here are 7 steps you should consider taking to prepare your small business.**

### 1. Review Finances and Cash Flow

Performing a financial health check is an important first step. Review your financial statements and ensure they are up-to-date. This information will be crucial for revising your budgets, managing your cash flow, and measuring business performance during this period of uncertainty.

### 2. Revise Budgets Accordingly

Your budget plans may not reflect current market conditions, so they should now be revised to take extreme conditions into account. To the best possible extent, re-budget for sales declines and supply disruptions, with cash flow management top-of-mind.

### 3. Protect Employees

This scenario has already changed day-to-day business in unprecedented ways. Proactively determine action plans to provide support for staff. Leaders must communicate with employees about monitoring the situation and constantly gathering facts with the utmost level of specificity and frequency.

## 4. Connect With Suppliers

Stay in regular contact with your suppliers and assess their ability to deliver. Determine if your current suppliers are still able to produce the goods you need and deliver them to you in a timely manner. Identify circumstances in which your suppliers may delay or cancel your orders. Depending on where they're located, your current suppliers may be unable to provide key items for weeks, or into the foreseeable future, so consider every alternative.

If your current suppliers are directly impacted by COVID-19 or affected by other limitations, you should begin looking for alternatives. Source out local suppliers that can deliver what your business needs. Local suppliers may be in higher demand and more expensive, so start sourcing them and begin price negotiations as soon as possible.

## 5. Prep for More Online Sales

Customers are more likely to stay home in the current environment, so consider reinforcing your business model with online capabilities. If your business relies heavily on foot traffic, investigate ways that you can deliver your goods or services to customers. For retail businesses, identify online platforms you can use to sell and distribute products. For restaurants, see how you can expand your food delivery options for customers.

## 6. Review Sanitation Policies

Immediately adopting more stringent hygiene policies — especially for restaurants — is essential. Establish strict protocols reminding people to wash hands for minimum of 20 seconds and wiping down common surfaces such as doorknobs and faucets as often as possible. These measures create a sense of trust with clientele that the company meets high standards for cleanliness beyond normal policies.

## 7. Make a Contingency Plan

The best way to be prepared is to have a plan of action that is well communicated to all stakeholders, which includes a checklist of scenarios and possible outcomes such as: Does the business have support systems in place to assist staff forced to work from home? Does the business have a critical staff list to keep essential processes going? Are staff records with complete contact details up to date? The Canadian Chamber of Commerce has [contingency plan templates](#) that small businesses can use as a starting point.

## What Are The Symptoms of COVID-19?

Fever, cough, and shortness of breath (in extreme cases) may appear 2-14 days after exposure to COVID-19.

The [Public Health Agency of Canada](#) recommends seeking medical help if you develop symptoms, have been in close contact with a person known to have COVID-19, or have recently traveled from an area with [ongoing community spread](#) of COVID-19.

## What Treatments Are Available for COVID-19?

Currently, there is no vaccine to prevent COVID-19. That said, preventative actions can be taken to avoid exposure to the disease.

**To avoid being exposed to COVID-19 and to prevent illness, take the following sanitary precautions:**

- Regularly wash hands with soap and water for at least 20 seconds
- Avoid touching your eyes, nose, or mouth if your hands are recently unwashed
- Use your sleeve to cough or sneeze, not your hands

## Where Can You Learn More About COVID-19?

The public health risk for COVID-19 in Canada is generally low, but varies and continues to be reassessed as new information becomes available. For further updates, continue to closely monitor advisories from resources such as the [Public Health Agency of Canada](#) or [IPAC Canada](#). For more resources on preparing your business, visit the [Canadian Chamber of Commerce](#). You can even stay up to date by joining their [COVID-19 mailing list](#) for updates, economic impacts and other information.

*The content in this whitepaper is for general informational purposes only and does not constitute legal or professional advice.*



Financing Made Smarter,  
Not Harder.