

# Business Planning during COVID-19

Cleveland Metropolitan Bar Association:  
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# Topics

- **SBA Loan Actions**
- **Scenario Planning**
- **Succession Planning**
- **M&A**

# SBA Payroll Protection - Action Required

## Immediate Steps

1. **Call your banker. Today.** And let them know you intend to apply for the loan (which does not require a credit determination). Loans will be awarded on a first come-first served basis and the pool is large but not unlimited.
2. **Start calculating your average payroll for the past year.** Loan amounts will be 2.5 times the average total monthly payroll costs from the prior year. (With a maximum loan of \$10 million.) There are specific inclusions and exclusions.
3. **Start preparing a statement of how the virus has hurt your organization financially.**
4. **Get your board lined up to approve the borrowing, if required by your governance documents.**

# Succession Planning

## Benefits of Having a Succession Plan

- **For the organization**
  - Identifies future leaders
  - Ensures we have the right people in place
- **For management**
  - Ensures the “right people are in the right seats”
  - Identifies potential risks within the organization
  - More effectively manage changes of key personnel with stakeholders
- **For the individual:**
  - Identifies skill gaps and manages development
  - Motivates/stretches
  - Assists in allowing the individual to understand where they currently fit within the organization

# Succession Planning

## In the Time of COVID-19

- List 5-7 most important elements of each critical position.
- Identify who else on staff (or board) can step in on short-term basis if needed.
- Determine what resources are needed – access to documents, pass words, databases, contacts, etc.
- Try to have at least one other person on staff who knows how to keep things moving in each functional area.
- Communication is essential!

# Scenario Planning

## 6 Step Process - Example

- Freeze wages
- Utilize a portion of your cash reserve and endowment (if avail)
- Furlough staff
- CEO/ED takes pay decrease
- Staff takes pay decrease
- Workforce reduction



**Free Webinar:**  
**Risk Management During & After COVID-19**  
**Friday, April 3, 2020**  
**11:00am**  
**[REGISTER](#)**

Ted Bilich and Linda Lenrow Lopez of Risk Alternatives will share practical, simple steps concerning **finances, operations, reputation, planning, staffing**, and other important issues nonprofits are facing right now. We'll talk about how to identify, prioritize, respond, and assess and improve.