

NAVIGATING CRISIS: LESSONS LEARNED ON BUILDING RESILIENCY INTO YOUR BUSINESS

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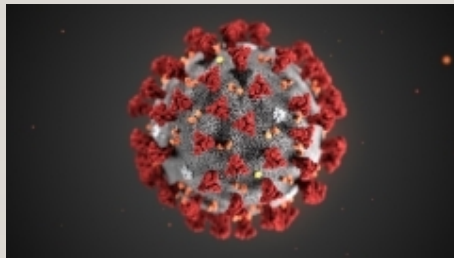
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A LITTLE ABOUT MIDWEST CHEMICAL SAFETY, LLC

- Somewhere between “micro business” and “small business”
 - Environmental, Health and Safety consulting service
 - Revenues less than \$1M annually
- Corporate/Tax Structure: LLC, S-Corp.
- VA-verified “Veteran Owned Small Business”

PRE-PANDEMIC (JAN/FEB 2020)

- Grandson arrives in January
- Business travel through April (and some summer travel) booked/paid for
- Several client projects in the works
- Looks like it's going to be a great year!
- Then....



MARCH 2020

3/2-3/5: 1st week –PittCon in Chicago

- Some elevator talk about “pandemic”
- Most thought “bad flu”

3/8-3/12: 2nd Week – Another site visit in Chicago

- Rumor mill started hot on 3/10 (“Are we going to shut down?”)
- 3/13 (Friday) – Announced site-wide shutdown

3/17: All Client work stops everywhere (revenue stops)

BUSINESS CONTINUITY PLANS

- Plans for:
 - Short/long term illness and disability
 - Loss of communication / Internet
 - Loss of power (short duration and long duration)
 - Data loss/recovery
- Notably lacking: Loss of all revenue / Pandemic
 - It's there now!



PANDEMIC IMPACT ON MCS AND IMMEDIATE ACTIONS

- Immediate recognition of “15-days to stop the spread” was just talk
- March-April-May: Loss of revenue
 - Initial burn rate on operating account very high
 - Action: Cancel all unnecessary monthly recurring billings
 - Action: Zeroed all credit card debt
 - Action: Contacted all clients: “We’re here and in the same boat as you”

IMPROVISE

- Improvise – Making something of what is available
 - Complete business and personal financial review
 - Complete review and update of all company Organizational Process Assets and Physical Assets
 - Internet problems and solutions
 - Made use of SBA's PPP and EIDL
 - EIDL was a violation of Elston 2nd Business Rule: No Debt Ever.
 - Right decision at the time.
 - 2/3 of the loan already repaid.

ADAPT

- Adaptation – Adjusting to the “new reality”
 - Fluency in five(!) online presentation platforms – based on customer desires
 - Plan “B” for internet service
 - Initially – a business arrangement with a local hotel
 - Thank you Elon Musk and StarLink!
 - Co-Working in Springfield IL
 - Complete on-line presentations on LabRAT and Heat Stress Management Tool
 - Migrate all workshops to on-line presentation
 - Test drove the presentations during Fall 2020 ACS Meeting

OVERCOME (AND LESSONS LEARNED)

- Financially plan for a downturn.
 - “Dry powder” – Two years of operating expenses IN THE BANK and KEEP IT THERE.
 - Liquidity is a must! There will always be another downturn!
 - Business plan updates for long-term revenue loss
- Grace is necessary. Being a doormat is not.
 - COVID 19 was a complete lesson on microeconomics
 - Clients stopped producing, stopped paying.
 - If you must sever ties with a client, remind them “it’s not personal – it’s only business.”

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- Leverage what you have and expand on it
 - Workshops
 - Prediction – “In person” workshops where people travel to them are gone.
 - Keep active with your current clients even if they do not have business for you.

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- Keep yourself mentally and physically healthy
 - Connection with colleagues and business owners
 - Mental toughness: Deal with what's in front of you.
 - Don't depend on government to help. If they do – great, but don't count on it.
 - Never confuse the discipline to confront the most brutal facts of your current reality (whatever they may be) with the faith you will prevail in the end. (Stockdale, paraphrase)
 - Remember: *America always recovers.*

2020 IN REVIEW

- “It’s not about the income, it’s about the outcome” (Jay Goltz)
- June 30 YTD P and L (compared to 2019): Revenue down 57%, Profit = -28%
- End of year: Revenue down 28%, Profit +8%
- Paid more tax on a lot less fun!

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- Keeping sanity:
 - 21 Hats Podcast/Morning Report: <https://21hats.substack.com/>
 - Forbes, Small Business and Entrepreneur sections: www.forbes.com