NAVIGATING CRISIS: LESSONS LEARNED ON BUILDING RESILIENCY INTO YOUR BUSINESS

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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.”
• 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.
• 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!
• Keeping sanity:
• 21 Hats Podcast/Morning Report:  https://21hats.substack.com/
• Forbes, Small Business and Entrepreneur sections:  www.forbes.com