

# 4 tips for managing your business through crisis and beyond

[vistage.com/research-center/business-growth-strategy/20200406-business-in-crisis](https://vistage.com/research-center/business-growth-strategy/20200406-business-in-crisis)

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The economic freefall we've experienced since the beginning of March is mind numbing. Business leaders have had to place their 2020 strategic plans on the shelf and shift into crisis mode. They face critical decisions that will determine the fate and fortune of their businesses.

Early results from the April Vistage CEO Confidence Index survey reveal that:

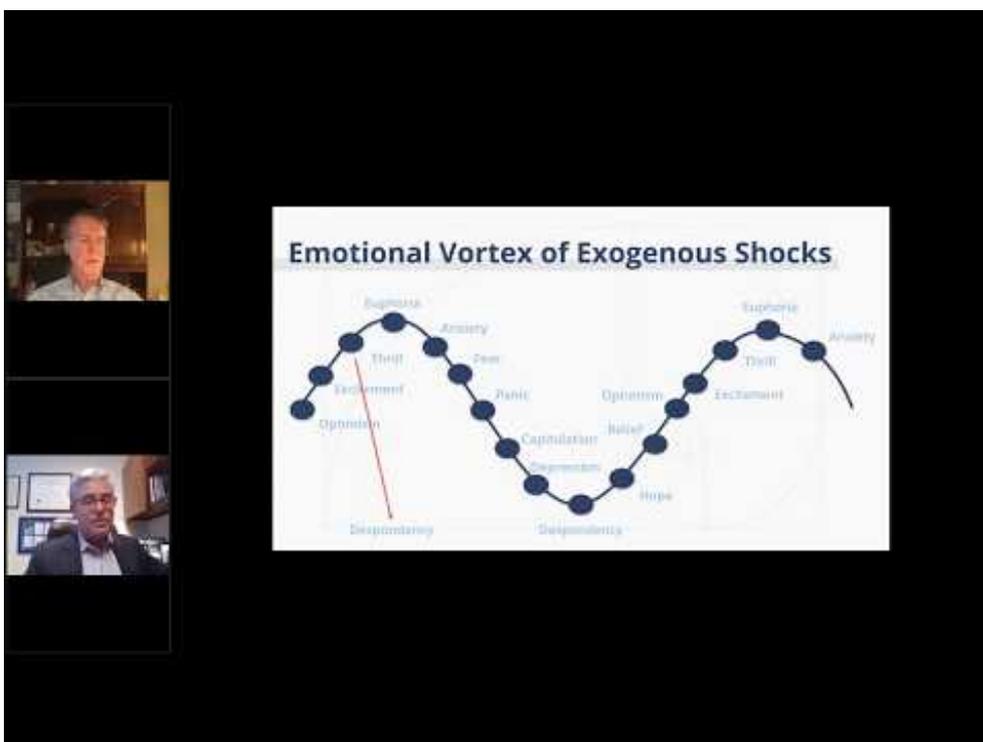
- 16% of CEO respondents feel their businesses will be back to normal in six months
- 22% of CEOs think their businesses will be stronger in six months
- Nearly half (49%) of CEOs said their businesses would be weaker but gaining momentum in six months
- 15% of CEOs feel they would be in significant distress in six months

Our survey data has not fluctuated since it opened April 1, suggesting that we have arrived at the new normal of business activity.

With the national and global economy all but shut down, we have now entered a new phase: The Great Wait, in which we wait for the health crisis to pass. The longer the health crisis lasts, the deeper the economic crisis will be. Surviving and then thriving in the post-coronavirus world will require outstanding leadership and great decision making now.

I spoke with Adrian Cronje, CEO of Balentine, about how leaders can successfully manage their businesses through COVID-19. Cronje, who was recognized as one of Vistage's top speakers for 2019, explained that there are four key areas of focus to manage through the crisis and beyond.

**WATCH: Managing Your Business Through Crisis and Beyond with Dr. Cronje, CEO of Balentine, and Joe Galvin, CRO of Vistage**



Watch Video At: [https://youtu.be/exoE\\_-ZqgMQ](https://youtu.be/exoE_-ZqgMQ)

## 1. Build resiliency in your business and yourself.

- **Take care of yourself.**

As a leader, you have to manage your stress to effectively lead your company. Make time to rest and recharge in whatever way works for you, whether that's by increasing your exercise, using mindfulness apps or spending time with your family.

- **Establish a "nerve center" for daily communication.**

Use this to stay closely connected with your employees, keep communication lines open and avoid making decisions in a vacuum. In addition, increase the cadence of your management meetings.

- **Don't run out of cash — no matter what.**

Figure out the length of your business's cash runway, considering both the best-case scenario and worst-case scenario. Identify non-essential expenses that you can cut to increase that runway.

- **Protect your most precious capital.**

Your clients and customers are your most important asset. Double down on your efforts to support them through the COVID-19 crisis, deploying as many resources as possible to serve them well.

- **Challenge, motivate and thank your teams.**

Align your teams on priorities and empower them to take action. It's okay to place pressure on them to step up — just get out of the way so they can rise to the challenge. When they've worked hard, show your gratitude and make them feel valued.

- **Test your disaster recovery and business continuity plans.**

Evaluate whether you can run your business smoothly while people are working remotely. It's a good idea to do this even if you run an essential business that can stay open during the COVID-19 crisis.

## 2. Apply lessons from the 2008 recession to the 2020 crisis.

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- **Don't be an ostrich.**

Don't pretend that your business is unaffected by the COVID-19 crisis; this will only compromise trust with your employees. Instead, openly acknowledge where your business stands now and where you plan to take it next. Focus on what you can control as a leader.

- **Use data to make bold decisions.**

To bring clarity, confidence and speed to your decision-making, let data serve as your guide. "This is the currency of the crisis," says Cronje.

- **Review your financial plan and goals.**

Assess your financial plan and long-term goals, and don't overlook any silver linings. Take stock of where you are holistically.

- **Communicate directly and clearly with your employees.**

Be authentic, transparent and empathetic when you share both good news and bad news.

- **Protect your relationship with lenders and investors.**

Stay in close contact with your lenders and investors and keep them up-to-date on relevant information, such as scenario analyses. "They hate surprises," says Cronje.

## 3. Take advantage of government aid.

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### **Apply for relief.**

Take advantage of loans through the Small Business Administration (SBA), including the new Payment Protection Program, Economic Injury Disaster Loans and SBA 7(a) loans.

## **RELATED CONTENT: CARES Act and SBA loans: How businesses can leverage loan relief**

- **Beware of opportunists.**

Avoid anyone who says they're an "SBA consultant" for hire. For government loans, work directly with your bank or the SBA.

- **Take advantage of low interest rates.**

While borrowing remains cheap, reevaluate your capital structure and optimal debt-to-equity mix. Now is the time to lock in rock-bottom interest rates.

## 4. Strategically position your business for a post-crisis world.

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- **Reevaluate whether you have the right people in place.**

A crisis can help you evaluate whether you have the right people on your team. It's also an opportune time to attract talent. "Crisis allows the cream to rise to the top," says Cronje.

- **Rethink your strategic plan and forecast.**

Picture what your business might look like in a post-crisis world. Consider how you might reprioritize initiatives to take advantage of new opportunities. Question how your people, clients and customers may behave differently. And think about how you might be able to maximize your earnings power.

- **Lean into your technology spend.**

Invest in areas that will strengthen your marketing and build your brand. For example, consider using webinars to share insights from your practice that will benefit your clients. It can help differentiate you as a leader and make your business stand out.

- **Become tougher and leaner.**

When the crisis is over, your business is likely to face a more competitive landscape with fewer customers, along with higher inflation. Start thinking now about how to change your pricing strategy or supply chain to succeed in this environment.

"Crises bring both clarity and opportunity," says Cronje. "They test your resiliency and adaptability. For those businesses able to bend and not break, they present a golden opportunity to accelerate."

### Additional resources

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- [Vistage Coronavirus Resource Center](#)
- [How to Communicate with Lenders and Investors During COVID-19](#)
- [Silver Linings: Three Financial Planning Problems the Market Volatility Can Help You Solve](#)
- [Are Recession Red Lights Flashing? How Capital Markets Can Help us Predict the Future Economic Environment](#)