

# 3-Step Covid-19 Small Business Action Plan

The inspiration for this plan came from [www.covid19hotel.info](http://www.covid19hotel.info). Originally geared to hoteliers, the essential elements can be used by other industry businesses – rob, duplicate and tailor to your needs.

## Step 1 of 3: Cash Flow: FIND, GET & KEEP MONEY!

A complete lack of income due to extreme drop in demand and the next 4 to 12 weeks look similar!

<p><b>1. REDUCE COSTS</b></p>	<ul style="list-style-type: none"> <li>Don't pay certain bills.</li> <li>Negotiate deferred and reduced payments with suppliers</li> <li>File tax returns by required dates, but keep the money! Tax payments deferred to September 1, 2020. No penalties or interest.</li> <li>Payroll source deductions for EI and CPP still required.</li> <li>File GST returns by due dates. GST payments deferred to June 30.</li> <li>Filing and payment of Ontario taxes for Employer Health Tax, Tobacco Tax, Fuel tax, Gas tax, Beer, Wine &amp; Spirits tax, Insurance premium tax, retail sales tax on insurance contracts and benefit plans – all deferred to August 31.</li> <li>WSIB payments deferred to August 31.</li> </ul>
<p><b>2. FUNCTION WITH A SKELETON STAFF</b></p>	<ul style="list-style-type: none"> <li>Advise laid-off employees to apply for Unemployment Insurance.</li> </ul>
<p><b>3. RESEARCH AND APPLY FOR GOVERNMENT PACKAGES</b></p> <ul style="list-style-type: none"> <li>Wage subsidy programs</li> <li>Business Loans</li> </ul> <p>For help with CERB or CEWS, call 1-833-966-2099</p>	<div style="text-align: center; border-top: 1px solid black; border-bottom: 1px solid black; margin-bottom: 10px;"> <p><b>CANADA EMERGENCY WAGE SUBSIDY (CEWS)</b></p> </div> <p>Step-by-Step Information &amp; Assessment:  <a href="https://www.canada.ca/en/departement-finance/economic-response-plan/wage-subsidy.html">https://www.canada.ca/en/departement-finance/economic-response-plan/wage-subsidy.html</a></p> <p style="text-align: center;"><i><b>There are 2 levels of this program</b></i></p> <p><b>Level 1:</b> Wage subsidy to employers (individuals/sole, corporations, partnerships) to cover up to 75% of wages paid to employees (up to \$847 per employee per week) for 12 weeks, retroactive to March 15. Will also receive 100% refund of employer-paid portion of EI and CPP paid to employees.  <b>Eligibility:</b> 15% revenue drop over same month in 2019. Start-up businesses with no 2019 revenue, the average of January &amp; February 2020 is used.  <b>How To Apply:</b> via CRA <a href="#">My Business Account</a></p> <p><b>Level 2:</b> Known as <b>Temporary Wage Subsidy</b> - 10% wage subsidy for those that don't qualify for Level 1. Wage subsidy of 10% of remuneration paid March 18 to June 19, up to \$1,375 per employee (max. of \$25k to employer). No reduction of CPP and EI premiums.  <a href="https://www.canada.ca/en/revenue-agency/campaigns/covid-19-update/frequently-asked-questions-wage-subsidy-small-businesses.html">https://www.canada.ca/en/revenue-agency/campaigns/covid-19-update/frequently-asked-questions-wage-subsidy-small-businesses.html</a></p> <p>If you pay yourself a salary, you are an “employee” of your business and your wages qualify for the subsidy!</p>

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### CANADA EMERGENCY RESPONSE BENEFIT (CERB)

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For employees, contract workers and **SELF-EMPLOYED** who cannot work for Covid-19 related reasons

<https://www.canada.ca/en/revenue-agency/services/benefits/apply-for-cerb-with-cra.html>

- \$2,000 paid in blocks of 4 weeks (\$500 per wk.) to 16-week maximum
- Confirm status every 4 weeks
- Tax not deducted at time of payment; income is taxable
- Covers March 15 to October 3
- Apply via CRA [My Account](#), Service Canada or number 1-800-959-2019 or 1-800-959-2041
- **Eligibility:** Canadian Resident with valid SIN#, aged 15-years or more, earned \$5k in 2019 (wages, self-employment, maternity or parental EI benefits, provincial maternity benefits or parental plan); stopped working due to Covid-19 related reasons

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### SLBDC "COVID-19 BUSINESS LOAN"

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Developed by **Sarnia Lambton Business Development Corporation** to meet the needs of businesses who don't qualify for Federal business loan programs

- Loans up to \$50k provided at 0% interest for first 6 months
- Repayable on interest-only basis for subsequent 6 months, fixed at Prime + 3%,
- Blended principal and interest payment for succeeding 4 years, fixed at Prime +3% for remainder of term
- Prepay without penalty prior to maturity
- Up to 5-year repayment period

**Criteria:**

- Sole proprietors, partnerships, corporations, not-for-profits, franchises
- Business located in Lambton County
- Family unit owning more than one business can apply for a loan for each individual business, if they can show separate financial records and tax reporting
- Use money for an existing business for working capital, inventory purchases, operational expenses, staff related costs
- Security is Promissory Note from owner with a General Security Agreement registered under Personal Property Security Act forming a non-specific charge on the assets of the business and/or borrower

**How To Apply:**

- [Complete Loan Application](#)
- [Complete Personal Financial Statement](#)
- [Complete Cash Flow Forecast for next 6 months](#)

**Contact:**

Don Anderson - [info@slbdc.com](mailto:info@slbdc.com) / (519) 383-1371

<p>If none of these loan programs works for you, call FedDev Ontario at 1-866-593-5505 or 1-888-576-4444</p>	<hr/> <p style="text-align: center;"><b>SMALL AND MEDIUM-SIZED ENTERPRISE LOAN &amp; GUARANTEE PROGRAM</b></p> <hr/> <p>Businesses work with their financial institutions. Lending support via Business Development Bank for guaranteed loans for small business cash flow requirements. <a href="https://www.canada.ca/en/department-finance/economic-response-plan.html">https://www.canada.ca/en/department-finance/economic-response-plan.html</a></p> <p style="text-align: center;"><b>BUSINESS CREDIT AVAILABILITY PROGRAM (BCAP)</b></p> <p>Business Development Bank supports loan through businesses' own bank/credit union. Money for operational cash flow.</p> <ul style="list-style-type: none"><li>(A) <b>Loan Guarantee:</b> Business Development Bank guarantees 80% of new operating credit and cash flow loans up to \$6.25-million.</li><li>(B) <b>Co-Lending Program</b> – Guarantee is backed 80% by Business Development Bank and 20% by your own bank/credit union.</li></ul> <p>To apply – contact your bank/credit union. Available up to September 30.</p> <p style="text-align: center;"><b>CANADA EMERGENCY BUSINESS ACCOUNT (CEBA)</b></p> <p>Interest-free (up to Dec.31, 2022) loans up to \$40,000 to small businesses for operating costs during period when revenues temporarily reduced.</p> <ul style="list-style-type: none"><li>• No minimum monthly principal payment required until Dec. 31, 2022</li><li>• Allows principal repayment any time</li><li>• Up to \$10k eligible for complete forgiveness, if \$30k repaid by Dec. 31, 2022</li></ul> <p><b>Eligibility:</b> Demonstrate T4SUM payroll of \$20,000 in 2019.</p> <hr/> <p style="text-align: center;"><b>CANADA EMERGENCY COMMERCIAL RENT ASSISTANCE (CECRA)</b></p> <hr/> <p><a href="https://www.cmhc-schl.gc.ca/en/finance-and-investing/covid19-cecra-small-business">https://www.cmhc-schl.gc.ca/en/finance-and-investing/covid19-cecra-small-business</a></p> <p>Administered by the Canada Mortgage &amp; Housing Corporation (CMHC). Provides forgivable loans to commercial property owners so they can reduce rent owed to them by their small business tenants. Reduce the rent you charge by 75% for April, May and June, and you'll receive 50% of the gross rent from the program. The property owner and the business tenant share the balance (i.e. the 50% not covered by the forgivable loan); the tenant pays 25%. <b>Deadline to apply August 31, 2020.</b></p> <p><a href="#">Go to the CMHC website to sign-up.</a></p> <hr/> <p style="text-align: center;"><b>MORTGAGE DEFERRALS</b></p> <hr/> <p>Defer mortgage payments up to 6 months. On a case-by-case basis. Businesses told to contact their bank for eligibility.</p>
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<p><b>4. DEVELOP A FINANCIAL PLAN</b></p>	<p>Working through items 1 to 3, you've reduced expenses, found some money, delayed payments and hopefully have a better idea of money coming in and out of your business in the next 4, 8 &amp; 12 weeks.</p> <p>With those new numbers – create a <a href="#">financial plan</a>.</p>
<p><b>5. ENGAGE LAID-OFF STAFF TO ENSURE THEY'RE READY WHEN ACTIVITY PICKS UP</b></p>	<ul style="list-style-type: none"> <li>• Make your best attempt to provide a timeline to re-open and keep staff updated as that changes</li> <li>• Utilize 1-to-1 phone calls with the team (group email updates)</li> <li>• Commit to consistent updates and engagement schedules to your team is still engaged</li> <li>• Share resources to laid off staff to help them navigate unemployment</li> <li>• Write recommendations for staff so they are prepared if they have to find a new permanent placement</li> </ul>

## STEP 2 of 3: Forecasting in the Void

### RESEARCH BEST PRACTICES

How to project and strategize about recouping lost revenue in constantly changing environment and uncertainty

1. **Google historical data related to your industry** to gain insight in how you can forecast for your business now. The last time Canada experienced anything similar to Covid-19 was SARs.
2. **Review articles by experts in your industry**, for their 12-month predictions.
3. **Survey Your Customers** – to understand their concerns so you can position your business to address and move beyond those concerns to purchase.

## STEP 3 of 3: Be Proactive: Re-Opening Plans

### PLAN FOR DIFFERENT SCENERIOS

What to do marketing-wise now and when the lockdowns start to lift. When to start marketing and how not to appear tone deaf.

Your customers have not gone away just because you are closed. They're still out there – stuck at home, Googling and watching TV. Communicate with them. Keep the ember of the relationship burning so that when the lockdown is lifted it can spark back.

#### RIGHT NOW

Use Social media to nurture your potential and future customers. This is not about selling; it's about remaining in their landscape of suppliers and favourites. In the quest for killing time, there's a sharp rise in seeking online content. You don't need a lot of money – just some creativity and time.

If you've just got Facebook – great. Make sure you post every day.

Monday – post a link on FB that leads back to content on your website. Tuesday – share some community content and maybe share a contest freebie, special offer or promotional item (if you can be open!). Wednesday – post an interesting question to your community. Thursday – post a photograph. If you're open, but doing curbside – how about a photo of that! Or doing renovations while closed – post that. Friday – share something humorous and fun in content, like a cartoon or video. Got a mailing list? Remind people to join so when you're up and running again, you can send them quick alerts.

#### **WHEN LOCKDOWNS BEGIN TO LIFT**

All indications point to a staggered reduction of restrictions and guidelines. For example, restaurants may be required to fill 25%, 50%, 70% of their seating capacity over time to ensure no re-emergence of Covid-19. The same for hotels, motels and bed & breakfasts. Cottage renters may be restricted to a single household vacationing together! Social distancing may be in effect much longer than anticipated.

Think about what a staggered opening would look like for your business.

- Develop promotional packages and offers aimed at raising consumer interest in visiting your business.
- Develop strategies to differentiate your business in the mad-rush-to-re-open-promotions, offers and news.
- Review your customer data to ensure you're using the right messages for each of your customer segments.

<https://www.bdc.ca/en/articles-tools/marketing-sales-export/marketing/pages/default.aspx#cat-8>

<https://www.bdc.ca/en/articles-tools/marketing-sales-export/marketing/pages/7-low-cost-tactics-business.aspx>

## **OTHER RESOURCES AND REFERENCES**

**Main Street Digital:** Although grants now closed, [FREE online assessments](#) and [online training webinars](#) still available!

**Shopify:** Is a Canadian company based in Ottawa. They offer a FREE 90-day trial. [www.shopify.ca](http://www.shopify.ca). They also have a good number of pre-recorded [online webinars](#) and [scheduled live webinars](#) that can help you with general digital and web marketing as well as Shopify.

**ShorelineToGo.ca:** The website we put together to get every operating restaurant, farm-gate and craft beverage business in Lambton Shores, South Huron, Bluewater, North Middlesex listed so residents can order takeout and delivery right now.

**Community Futures Huron ([cfhuron.ca](http://cfhuron.ca)):** Caters to Huron County businesses, but their workshops and webinars are open to all. For an upcoming list of same, email Sharlene Bolen at [sbolen@cfhuron.ca](mailto:sbolen@cfhuron.ca). They have posted a number of PDF documents on handy topics:

**Business Development Corporation (BDC):** Has a number of [pre-recorded and scheduled online webinars](#) on business support topics.

**[Huron Economic Development](#):** Has put together a number of quick reference sheets:

- [How to Sell Remotely Using Facebook](#)
- [Setup a Shopify](#)
- [Payment and Shipping Options for Small Business](#)