

JJ

THE CPA

®

JJ THE CPA: HELP IN A TIME OF CRISIS

SMALL BUSINESS SURVIVAL GUIDE

*Created for my clients,
in response to the coronavirus situation.*

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www.JJtheCPAhelp.com

JJ THE CPA: HELP IN A TIME OF CRISIS. SMALL BUSINESS SURVIVAL GUIDE

Small businesses are the backbone of the United States economy. *That is you!*
Yes you! Small business or not. We are business owners!

Guess what my friend! That is me too!

And guess what else? **We are going to get through this. We are.**

Here is the key, and if you don't read any further, plant this in your beautiful, genius mind as a business owner: *The financial health of your business 3 weeks after any crisis, will determine the financial health of your business (and you) for possibly the next 3 years.*

What you do in the next 3 weeks is crucial. I would like to walk you through this first part of the process (assess), to help you more clearly define what financial cards you have been dealt. So right now, before you get up from reading and working through this, you need to set it all aside and assess your situation. Just about nothing else matters, because this is going to help you avoid the next crisis.

Together, we are going to **ASSESS**.

Then. **You** are going to **HOLD. WAIT. AND SEE.**

You will notice at the bottom I have put *version 1*. The reason for that is I will be adding to this as we progress through this fall out of the crisis. As I visit with more clients, and learn more about this crisis, I will add those lessons, so to speak, and more importantly, the solutions. So with each major update, I will replace the previous version, and just in case you are following along as I move through this journey, it will help know where we are in this process.

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Version 1

Ready? Me too!

First, fellow business owner, we are strong in numbers! I searched this on the internet and found the same info in several publications, so I don't know who to give credit to, but check this out my friend!

Over 99 percent of **America's** 28.7 million **companies** are **small businesses**.

The vast majority (88 percent) of **employer companies** have fewer than 20 employees, and nearly 40 percent of all enterprises have under \$100k in revenue.

20 percent of **small businesses** are **employer businesses** and 80 percent are non-employer **businesses**.

So our concerns as business owners are not unique. Our businesses may be unique. I know we all run our businesses uniquely. But your concerns, your business financial concerns are not really that different from any other business owner. Ready to feel relieved that you are not alone...

A business needs to collect money on the business it conducts to pay its employees, costs and the ownership.

No that is not a statement. That is what you think about every night before you go to bed, and the first thing that hits you square in the forehead when you wake up. Am I right? That is our concern as a business owner.

Conduct business. Collecting money. To pay our costs. To pay ourselves.

We need business. To collect money. To pay our costs. To pay ourselves.

When the crisis is over, what we do next is most crucial.

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What is a crisis for a business? I am sure there are many opinions.

As a CPA for over 27 years, the first thing that I hear when working through a crisis with a business owner is... “how am I going to pay my bills?”

That is not the crisis. It may feel like it, but that is not the crisis. **Yet.**

The crisis is the event that lead the business owner to say... “how am I going to pay my bills?”

So now. Think about it. The crisis now is whatever this coronavirus situation has created for your business. **You can actually avoid, right now, the next potential crisis of... “how am I going to pay my bills?”** So let’s avoid that!

The crisis you may still be dealing with (the coronavirus situation), is somewhat the same for all businesses right now; to varying degrees.

- Will I be open?
- How will conduct business?
- Where will my employees be working from, or will I even have employees to help me?
- Determine if I need to self-quarantine and/or if my employees need to be home for the same reason.
- You need to wash your hands often.
- Cough and sneeze you’re your sleeve.
- Use hand sanitizer with over 60% alcohol and load up on toilet paper.

Assuming you or your family are not in a medical crisis, and really, that is the crisis; this crisis is happening, but the crisis is over. We are now dealing with the *aftermath* of that crisis. For your business (not you), it has experienced the crisis. Make sense? The aftermath of this crisis is still unfolding, but I want you to recognize the difference.

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Version 1

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We are not waiting for another waive of virus. Am I right? We have been hit with it. That is or was the crisis. The reason it is important for you to recognize the difference is so you will pause with me, right now, and **assess**. If you don't think the crisis is over, you won't do this part. This crucial part of assessing.

We are going to **assess**. **Hold**. **Wait**. And **see**.

Now, if you are still trying to wrap your head around how I am convinced this crisis is over for your business, then I invite you to pause with me.

Wait. Wait. Don't start finding my posts or my email to explain to me why this is still a crisis. Pause with me. Take a deep breath.

Listen. It is going to work out my friend. You are going to get through this. Yes, there are many, many decisions yet to be made, in the aftermath of this crisis. But what we don't want to have happen is... the next crisis of "how am I going to pay my bills?" Which you could say is the bigger crisis for your business (outside of physical health of course).

So don't let your mind only concentrate on the immediate for just a few moments, because that may be a defense mechanism to not think about the next crisis coming... "how am I going to pay my bills?" (The one you want to ignore.) But check this out. That crisis. It hasn't happened yet. You have time right now, no matter what, to do what? What do we need to do right now? Yep! See how awesome you are! We are going to **assess**!

Alright! See aren't you glad I had you pause and not distract yourself with convincing me of something. No distractions. It is you right now.

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Okay! Now it is time to deal with it, and avoid the next possible crisis, which is “how am I going to pay my bills?”

So it is back to the fundamentals of your business. Will I be able to conduct business to collect money, to pay my bills, to pay myself. So here we go to solve that!

Take a deep breath, because now, you are going to go to work with me. We are going to **assess** where you are and with this assessment, you will have a pretty good idea how to avoid that next crisis of “how am I going to pay my bills?” And then... you can come up with a plan while you **hold**. **Wait**. And **see**.

What are we assessing JJ? I am glad you asked.

For this, you will need the following.

1. What is your bank balance right now. As a business owner, get all account balances. Business. Savings. Personal. (Not retirement accounts!!!)
2. The last 30 days of your banking activity.
3. Your last bank statement (even if it partly covers these last 30 days).
4. Your accounts receivable. If you don't have one, that is fine.
5. Your accounts payable. Or what is on your desk to pay.

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Version 1

6. Your last payroll details. If you don't have this, I will tell you a short cut.
7. A calculator.
8. Pencil. Okay a pen is okay, since no one seems to have pencils anymore.

As I shared earlier, this is a work in progress.

For now, I put together a video that I will walk you through this. Later, I can write and add more. So go to the video called

“JJ’s Survival Guide: Episode 1”

Several places to find it.

You will find a link on my website called this.

There is a video on my YouTube Channel Called This

Promise. No gimmicks!

Remember! We are in this together, and we will get through this!

Thanks for taking a look. I hope it helps!

JJ the CPA!

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Version 1

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CASH IN THE BANK		
Business Account	_____	
Other Business Account (Payroll Account)	_____	
Personal Account	_____	
Savings	_____	
Retirement. NO!!!!!!!!!!!!!!!!!!!! Sorry. Not on the Table.	XXXXXXXXXXXXXXXX	
TOTAL CURRENT CASH POSITION	_____	Starting Point
MAJOR OUTFLOWS		
Next Payroll Cost: Employees + All Payroll Taxes <small>(Look at your payroll reports. Best if you exclude yourself & your related payroll taxes for this)</small>	_____	
Next Payroll Cost: Employees + All Payroll Taxes <small>(Look at your payroll reports. Best if you exclude yourself & your related payroll taxes for this)</small>	_____	
Next Rent and/or Building Mortgage Due <small>(Look at your last bank statement.)</small>	_____	
Total All Next Loan Payments for the Business <small>LOC interest payment. Business Loans. Car Loans. Etc.</small>	_____	
Automatic Withdrawals in the next 3 weeks <small>Look at your last months bank statement</small>	_____	
Accounts Payable (What is Already on Your Desk to Pay)	_____	
TOTAL MAJOR CASH OUTFLOWS	_____	MINUS Biggest Concerns
EXPECTED MONEY INFLOWS		
Total Accounts Receivable THAT IS COLLECTIBLE	_____ x 80%	PLUS Near Future Money Collections
AVAILABLE CREDIT		
Available Line of Credit (What you have left you can borrow)	_____	
Available Credit Card Balances (What amount can you charge) <small>Business & Personal</small>	_____	
TOTAL AVAILABLE CREDIT	_____	PLUS Funds You Can Get To
TOTAL POSITION IN THE NEXT 3 WEEKS IS THE SUM OF Your Starting Point - Biggest Concerns + Near Future Money Collections + Funds You Can Get To		
	_____	EQUALS EQUALS
	You Know This NOW! Planning Begins!	