



Managing Cash Flow in Times of Crisis

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March 24, 2020

During these times of uncertainty, small businesses are trying to navigate through all of the current challenges of maintaining day-to-day operations.

The main focus today should be managing cash flow, in order to keep our business functioning, meet payroll responsibilities, protect the livelihoods of our employees, staff and team members, and minimize the impact of the potential financial burden.

I offer a few suggestions to consider, regarding cash reserves, while your receivables are slowing down:

1. Reach out to your banks and ask about lines of credit, whether you need to utilize existing lines or at least start dialogue on additional options that may be available so you are in a position to move quickly if you need to do so .
2. Reach out to all your vendors and discuss your current terms, and possible extension if warranted. If you are paying bills within terms, this may provide extending payments several weeks or be a gauge as to the strength of the business relationship and its value.
3. Reach out to your utilities see what programs may be available to hold back payments. Pay these bills if there are no deferment options.
4. Eliminate all unnecessary purchases now. Determine the purchases that are the utmost importance and prioritize.
5. Stop all overtime hours, and seek to adjust your work force to accommodate the schedule.
6. Understand your cash flow and how you can maintain low receivables. Look at your receivables daily and follow up regularly on outstanding A/R.

We all would like to take care of our employees. Without them, the field work does not get completed and the office has nothing to do. No one can predict how long this “shelter in place” environment goes on into the future, so have a plan in place, ensure that everyone involved has a company to return to, and your customers will continue to have their service provider at the ready and available for service.

Links for Small Business Employer Resources:

SBA Disaster Loan Assistance: <https://disasterloan.sba.gov/ela/>

Families First Coronavirus Response Act: <https://www.dol.gov/agencies/whd/pandemic/ffcra-employee-paid-leave>

See More at www.IKECA.org

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