RISING TO CHALLENGES

NAVIGATING THROUGH COVID-19 IN WISCONSIN®

Wisconsin Economic Development Corporation

Strategies and Resources for Small Businesses and Community Groups

Wisconsin Main Street and the **Wisconsin Economic Development Corporation** (WEDC) appreciate the significant uncertainty and concern facing our small businesses and civic and cultural institutions in the face of the current pandemic. This guide is designed to serve as a repository of ideas, tips and best practices compiled from local, state and national resources to allow these communities to survive and thrive in light of current and rapidly changing circumstances.

These are unprecedented times, but for many, business must go on. For businesses and communities, it's hard to know where to turn and exactly how to proceed. This document includes a list of resources and strategies that will help meet your residents and customers in the digital space and provide resources to address short- and long-term challenges you may be facing.

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Persistence and resilience only come from having been given the chance to work through difficult problems.

~Gever Tulley

WHAT WE KNOW

Since other states and countries have been at the forefront of this pandemic, we can gain some useful information from their experiences.

- Retailers in the Seattle area reported declines of 20% to 90%, depending on type and location, during the first week of closures. Hotel occupancies have dropped to 30% in the metro (versus the usual 85% for this time of year).
- Businesses relying on students or workers are likely to be harder hit. Businesses in residential areas seem to be doing better—people are tied to their home neighborhoods and conducting business there.
- Businesses relying on long-distance tourism activity or group gatherings (conferences, concerts) will be significantly impacted.
- Businesses selling perishable products or products with long inventory cycles are also likely to have a harder time making quick adjustments to a changing situation.
- In China, where the virus was first identified, now after approximately six weeks of full closure, quarantines are being lifted (although elevated safety protocols remain). Starbucks estimates that first-quarter revenues will be down 50% overall in China as a result of the pandemic.
- Guidelines from the U.S. Center for Disease Control and Prevention (CDC) recommend this level of precaution for at least eight weeks, which would extend the closure period into May, and it is possible that prohibitions could be extended even further depending on the level of infection present at that time. Wisconsin has instituted school and other closures indefinitely.

HELPFUL LINKS

What you should know, including symptoms, about the novel coronavirus from the CDC: https://www.cdc.gov/coronavirus/2019-ncov/index.html

Hand-washing chart from the World Health Organization:
https://www.who.int/gpsc/clean_hands_protection/en/

PREPARING FOR THE FUTURE

Businesses of all types should prepare for disruption on all levels.

Supply chains have been and will be impacted from outbreaks in China as well as logistics challenges. Retailers may be unable to receive inventory in a timely fashion, and some products may not be available at all. Specific shortages in predominantly Chinese-made goods such as awards, medals, RFID elements (such as race bibs) and other electronic components will be in short supply.

STRATEGIES

- Identify sources of products and materials locally if possible. This will provide stability to supply chain issues and also support local businesses. It may also allow you to shorten your inventory cycle to allow for smaller, more frequent orders that allow you to adapt to changing demand.

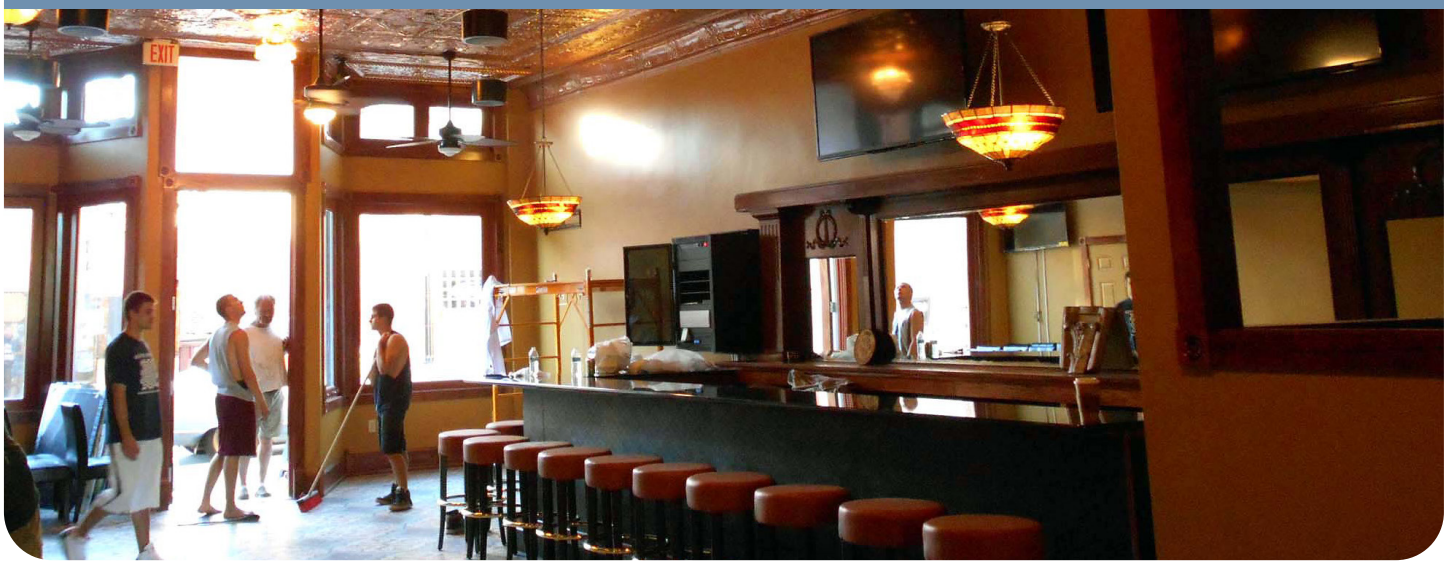
PREPARING FOR THE FUTURE

Staffing levels will be impacted, even if your business does not have formal restrictions. Employees may be forced to stay home due to personal illness or the need to provide supervision to children no longer in school, or out of concern for contracting the virus.

- To the extent possible, provide options for paid sick leave or remote work options for employees who are ill or who have been exposed to the virus. Employees at home can still perform tasks such as managing social media, making calls to key customers and negotiating with vendors or suppliers. Consider prioritizing at-home work for the most vulnerable employees (older workers, pregnant workers, those with pre-existing conditions).

- Don't forget to make a plan for what you, the owner, will do should you or an immediate family member contract the virus and be unable to work. Having a plan that can be rolled out quickly and remotely will be important in this situation.

PREPARING FOR THE FUTURE



Operational changes may be required to ensure customer and employee health. Examine your cleaning practices in light of CDC recommendations, and add/communicate your policies to demonstrate that you take customer safety seriously. Similarly, clarifying or updating your cancellation or scheduling policies may be necessary to allow customers to comply with local regulations or cancel appointments in the event of illness.

STRATEGIES

- Ramp up cleaning procedures by adding hand sanitizer at the cash register, wiping the register and credit card reader after each customer, cleaning restrooms more frequently, wiping the door handle after each customer etc. Share photos of your staff doing so on social media to help build customer confidence and peace of mind.

- Businesses may need to limit capacity to abide by the 10-person limit and ensure adequate social distancing. Offer to text customers when a space opens up if capacity limits are reached.

- Communicate your current and updated policies with customers. clear about your commitment to health and demonstrate your ability to keep customers safe when visiting your business. You can also use these messages to communicate any new services or products that you are making available to help them engage with your business while protecting their health.

BUSINESS SUPPORT STRATEGIES

Small businesses are struggling due to reduced foot traffic. Although customers may not be willing or able to shop in the way they are used to doing, goods and services offered by these small businesses are still needed by residents. While each business will need to adjust its specific offerings to accommodate customer needs, communities and civic organizations can provide individual support to businesses struggling to identify appropriate strategies; serve as a central reporting source for business closures; and help coordinate and/or promote newly available online, delivery or to-go offerings at local businesses. Some potential strategies for supporting your small businesses during this time include:

Networking and information sharing: The environment is changing rapidly, and business owners may not have capacity to stay informed on changing guidelines. Providing regular updates on CDC and local guidance, as well as local closures and other circumstances likely to change traffic patterns, will help them customize their strategies effectively. Civic organizations may also want to consider having a weekly 'Town Hall Chat' on an online video conference or phone line to provide a venue for discussing challenges and best practices among businesses and your organization and/or municipality.

Customer communications: Allowing customers to access information on business status (open/closed), hours of operation and online/delivery-based options for your community in a centralized website can help reduce confusion and make it easier for customers to support local businesses.

Menu database: Create a list of local restaurants that allow take-out or have delivery options, and scan in or link to their menus. Some organizations have also created large-font versions of these menus to accommodate senior audiences.

Digital retail: Promoting online shopping—for example, through creating a series of social media posts highlighting online options, coordinating a centralized online marketplace or making community gift certificates available for purchase (and future use) online—can streamline options for customers wanting to make a difference. Some communities are also coordinating gift card rallies to generate sales for local businesses and creating virtual tip jars linking online payment options for local service employees such as baristas, bartenders or stylists so customers can use an online platform to send tips.

Coordinated activities: Community support organizations also have a role to play in helping businesses band together and take advantage of economies of scale—as well as a responsibility for helping the municipal environment and infrastructure support new ways of engaging with local business.

Examples might include:

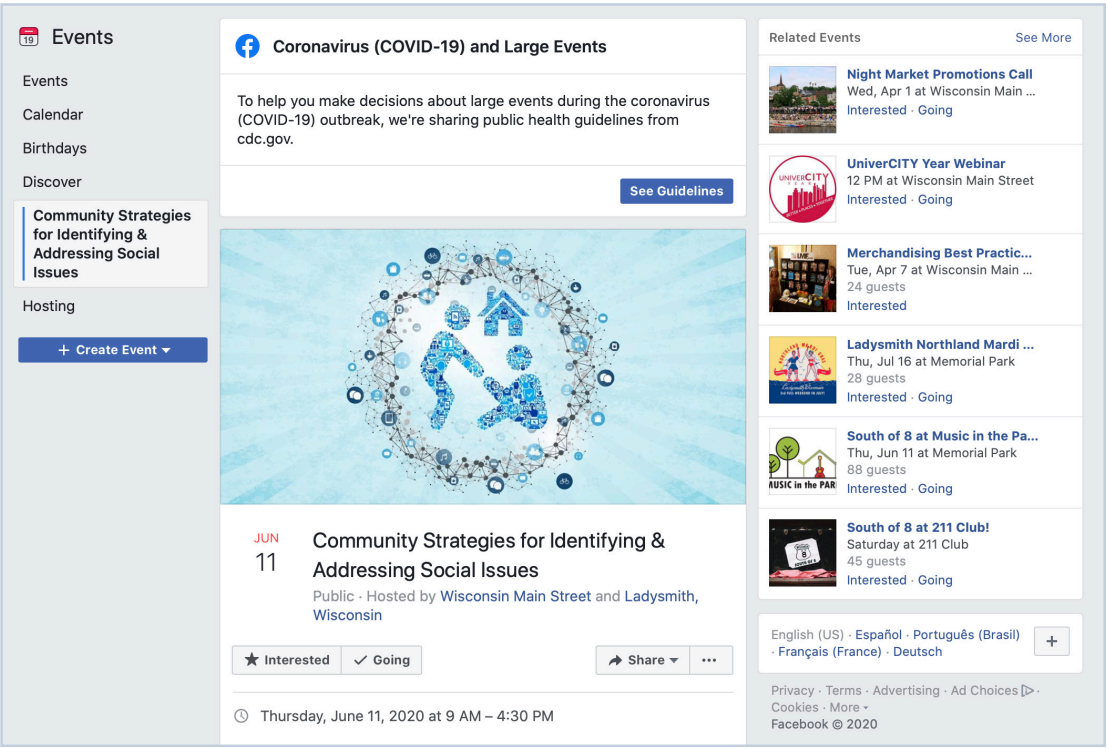
- Disinfecting public amenities (benches and drinking fountains), especially in parks where people are still likely out and about
- Compiling information on local resources such as health care hotlines, free meal outlets, phone lines to check on housebound seniors, etc.
- Utilizing a public plaza or central location to distribute free community meals or other goods provided for those in need.
- Coordinating a delivery service. In communities without formal delivery services such as Grubhub, DoorDash or Uber Eats, businesses may be able to coordinate to share staff as a delivery service to deliver goods to customers. Communities with existing taxi or ride-share programs may be able to engage these drivers on behalf of downtown businesses.
- Advocating for relaxed regulations or altered parking situations to accommodate additional drive-up pickup and takeout traffic. This may involve the addition of temporary short-term parking spaces and/or temporarily waiving parking fees (e.g., on side streets for employees throughout the crisis). Bars and restaurants may need help to extend their premises to allow for curbside pickup of bottled beer or wine with dinner.

Stay tuned to national, state and local news on these topics and inform local businesses on measures that will impact their operations and planning.

EVENT PLANNING

Most community organizations have been busy planning events for the upcoming season. While most near-term events have been canceled or postponed, others can still be altered to foster a sense of community without requiring in-person gatherings.

Financial impact: Depending on the type of event and number of items that have been pre-committed or pre-paid, organizations will need to review the force majeure clauses included in their contracts. This 'act of God' clause provides participants and/or event planners with a non-payment option as a result of an unforeseen event. The ability to cancel with limited or no financial implications will depend on the strength of this clause in your contract (although many venues and vendors are attempting to work with planners to the degree possible).



Livestream or online: All or a portion of your event may be able to move online to avoid a complete financial loss. Live auctions can become online auctions, trivia events can go online, livestreamed fashion shows can be launched complete with one-click shopping, and races can be converted into online challenges. All of these can allow participants to engage with the organization and replace an anticipated event with online engagement with fellow attendees (while potentially retaining some event revenues to offset non-refundable costs).

Other examples include:

- **Online trivia:** Families can enter to play against each other in an online trivia event. Many software systems exist to facilitate this. Crowdpurr is one that offers DIY or built-in capacity, while Kahoot and TriviaMaker allow you to make your own trivia questions and rules. Still others have preset trivia categories and questions as well as partnerships with large corporations to offer additional prizes in-app.

- **Online meetups:** If you want to get your downtown merchants, knitting group, book group or other social club together virtually, tons of free online meeting options exist. These include Skype, WebEx and GoToMeeting, among others. Zoom Meetings lets you customize your background to show a bookstore or café instead of your living room ceiling. Google Hangouts is useful in that most of your users will already have a Google account, so are less likely to need to download an app or software to join.

- **Online fitness:** Virtual races of all kinds have been gaining popularity. You can sign up for these races just like a regular 5K and get a ticket number. Once you complete the event, you upload a screenshot of your watch, phone GPS or treadmill screen and get added to an online leaderboard. Unlike one-time races, these events can feature month-long challenges and accommodate any type of activity. Outside magazine posted a useful piece on planning this type of event: https://www.outsideonline.com/1978061/how-start-your-own-virtual-race

- **Online auction:** Both online and live auction options exist for nonprofits missing out on a gala event. While online auctions give you time to reach more people and allow them to bid when it is convenient for them, live options ramp up the drama and engagement of bidders. You can also combine the two, for example by offering live bidding for a few signature items during the last day of the event. BiddingOwl and 32auctions are two that have been recommended by some Wisconsin communities.

Future considerations: From now on, even when public gatherings are permitted again, people may be more concerned about health concerns associated with gatherings. Consider adding handwashing stations or other measures to help attendees feel comfortable and in control of their health while at your event. Offering virtual options, even for in-person events, has the added benefit of including individuals with limited mobility or who require special accommodations.

Retail and service businesses will need to be creative to accommodate new customer habits. Considering the needs of homebound customers can help shape effective strategies for your business and is essential for maintaining sales in the near term. Consider the following list of potential strategies, grouped by business type, to identify ideas that may work for your business.

Ramp up your online presence. There is undoubtedly less browsing occurring in brick-and-mortar stores today, as many of the workforce are working from home or are home with children out of school. Meeting customers where they are, which is likely online and on social media, is critical to promoting your merchandise or services.

Online sales

Any business that doesn't already have an online sales platform will want to create one now to allow customers to purchase gift cards, monthly memberships or local delivery options. This could be a standalone element of your website, a DIY online store on a platform such as Wix, or a system tied to existing social media platforms. If you have always wanted to take the leap into online sales, consider this a golden opportunity to explore online sales options that coordinate with your existing point-of-sales system. This website highlights the pros and cons of various options: https://www.practicalecommerce.com/9-Tools-to-Sell-on-Facebook

Some products need to be shown to be understood. If your goods or services don't lend themselves to a strictly click-and-buy online store, consider Facebook live demos of your product. While you can link the live video to your virtual store, you can also go low-tech and allow viewers to commit to buying in the comments, and then complete the transaction via direct message, or pay the minimal subscription fee for a CommentSold or Soldsie platform that streamlines the process. This article highlights some best practices and success stories: https://www.shopify.com/retail/retailers-who-are-nailing-facebook-live-and-how-you-can-too

RETAILERS

- Delivery options/curbside pickup: Allow customers to pick up online orders at the curb or have them delivered locally.
  - Consider creating delivery bundles to make this cost-effective (learn-to-knit kits, craft-in-a-box, movie-watching-for-the-family, care packages etc.)
    - Bookstores might have mystery lover bundles, biography lover bundles, kids' bundles etc.
    - Pet stores might create bundles of everything their pet might need for a two- to three-month period (dog food/treats/toy bundles, cat food/litter/catnip bundles etc.). These are the same items customers would buy anyway; they're just stocking up enough to last a while.
    - Toy stores could create bundles for families to stay busy: for example, game and puzzle bundles, arts and crafts bundles, construction toy bundles.
    - Hardware stores could create bundles with vacuum bags and cleaning supplies to keep the house disinfected and safe, or DIY project kits for easy home improvement projects.
- **Membership pricing**: Create prepaid membership programs to spur cash flow now with a promise of future regular engagement (wine of the month club, knitting club etc.). Nearly any retail good can be bundled into a monthly membership option that customers can purchase now and use throughout the year.
- **Online forums**: knitting circles, tutorials, home shopping events, story hour from the bookstore—anything to keep customers engaged and your business top-of-mind
- **Customized online services**: personal shopping, home design consultations, etc.

Not sure what your customers need? Practice "personal clienteling." Take a look at the top 20% of your customers and have your employees call them up and ask what they might need. Then deliver it.

Personal service providers (salons, pet care, therapists etc.)

- **Online/virtual appointments:** Therapists, health care providers etc. can utilize online appointments (Facebook Messenger is one app that has a scheduling option) to schedule virtual appointments for those who can't come in person.

- Membership options can provide cash today and future customer loyalty. A veterinarian's office membership can cover basic veterinary care with a monthly fee. Salons and spas can offer pre-booking of future massages, facials, haircuts or other services at a discount to bring in cash today.

Fitness facilities

- Livestream fitness classes for participants at home.
- Offer virtual training or form correction for clients at home.
- Host a monthly challenge for users to upload screenshots or watch photos of their at-home workouts to log minutes for prizes.

Restaurants

- Delivery/curbside pickup: Allow customers to order ahead for delivery or pickup. See the resource guide at the end of this document for setting up delivery partnerships.
- Family meal options: Consider a family meal option that packages a family-friendly meal (main dish and sides) as a dinner-to-go option.
- Offer par-cooked meals or DIY options such as pizza or cookie decorating kits.
- Continue your existing trivia events with online livestream options (after, of course, coordinating for pickup of growlers-to-go).
- Feature social media posts that highlight your brewmaster or chef to foster personal connections and highlight what your business serves to customers. Offer pro tips for at-home cooking, plating, wine pairing, etc

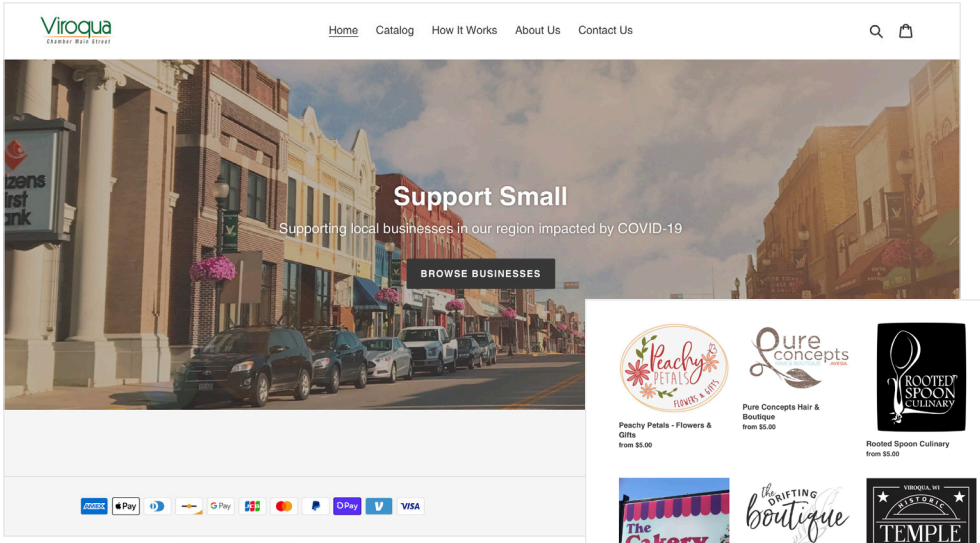
Arts and cultural institutions

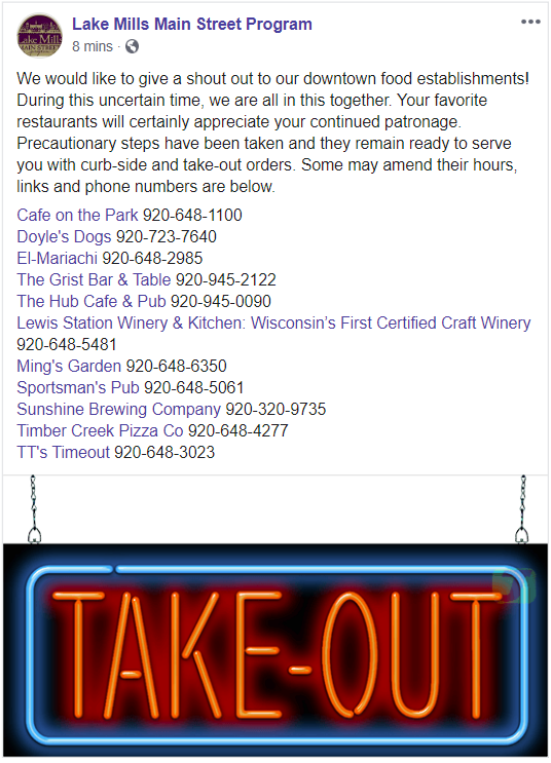
- Offer custom curated/celebrity livestream tours of venues or displays.
- Host author or artist discussion chats or Facebook live demos of the artists at work or rehearsing.
- For individual artists impacted by closed studios, illness or canceled events, these resources may be of assistance:
  - **ArtsReady:** Emergency Preparedness Resources for Arts and Cultural Nonprofits: https://www.artsready.org/
  - **CERF:** Artist Safety Net Organization: https://cerfplus.org/

For organizations

Communities and civic organizations will need to communicate frequently and clearly to provide relevant and timely information to customers, workers and residents. Many are aware of the hardships imposed by the situation on local businesses and individuals but are unsure as to how to effectively assist.

The following communications templates can be used to communicate with these audiences.





FUNDING AND TECHNICAL RESOURCES

While additional supports are still being developed and deployed at the local, state and federal levels, some new programs have already been made available, and other existing resources are available to support small businesses that have been negatively impacted.

Some of these include:

The **U.S. Small Business Administration** (SBA) has created a Small Business Guidance page that is regularly updated with recommendations, policies and programs. https://www.sba.gov/page/coronavirus-covid-19-small-business-guidance-loan-resources

WhizBang! Retailers is an online forum for small retailers. From now until the pandemic subsides, they will be hosting a free call-in event Tuesdays at 1 p.m. Eastern to allow small retailers to share ideas and best practices. www.whizbangtraining.com or on the WhizBang! Facebook page.

Restaurant Workers Community Foundation is compiling information and resources to help restaurants and restaurant workers deal effectively with the COVID-19 emergency. www.restaurantworkerscf.org

FUNDING OPTIONS

Kiva is a crowd-lending platform that provides 0% loans to small businesses through a platform of online lenders (local and global). Effective immediately, U.S. applicants for a Kiva loan will have access to the following expanded lending options in response to the pandemic:

- **Expanded eligibility:** More businesses will be eligible for a Kiva loan.
- **Larger loans:** The maximum loan on the Kiva platform will increase from $10,000 to $15,000.
- **Grace period:** Applicants may receive a grace period of up to six months for greater financial flexibility.

Women-, minority- and veteran-owned businesses may also have access to a 50% match, up to $5,000, from WEDC. To apply for a loan or sign up to be a lender yourself, visit kiva.org.

FUNDING AND TECHNICAL RESOURCES

SBA disaster assistance funds have been made available to Wisconsin businesses. These loans can be for up to $2 million and the funds may be used to pay fixed debts, payroll, accounts payable and other bills that otherwise could not be paid because of the disaster's impact. The interest rate is 3.75% for small businesses without credit available elsewhere; businesses with credit available elsewhere are not eligible. The interest rate for nonprofits is 2.75% over a 30-year term.

https://www.sba.gov/funding-programs/disaster-assistance

U.S. Bartenders Guild (USBG) National Charitable Foundation's Bartender Emergency Assistance Program provides emergency funding for bar industry staff who need financial support. USBG membership is not required. Additional donations are being accepted as well. www.usbgfoundation.org/beap

WEDC Small Business 20/20 Program provides funds to Wisconsin-based Community Development Financial Institutions (CDFIs) to make grants to existing loan clients to mitigate short-term cash flow issues and protect jobs and public health in response to the Covid-19 outbreak. Approved CDFIs and collaboratives will make program grants available to for-profit businesses that are current loan recipients in good standing as of 3/1/20 with the approved CDFI and/or its collaborating CDFIs. These businesses must have 20 or fewer full-time or part-time employees and greater than $0 but less than $2 million in annual revenues. Preference will be given to service and retail businesses. www.wedc.org/sb2020