



Preparing for the unexpected: managing and future-proofing your business in times of uncertainty

As a small business owner, you're in control of a lot of things. You manage staff, set the marketing budget, choose your suppliers and make a host of other decisions, big and small. But there are plenty of things you can't control that can have a massive impact on your business – like the state of the economy.

The outbreak of coronavirus has created a lot of uncertainty for business owners – how long this will last, what other support the authorities may introduce or how these may affect your business. While analysts and economists are warning of the imminent economic recession, the first worry for any business is that revenue will slump, particularly during these

unprecedented times when entire cities and countries are shut down. Consumer spending has slowed down and as we brace ourselves for an uncertain future, what can we do to weather the storm? How can small businesses get in front of some of the bumps that will no doubt occur as things get tougher, including slow-to-pay clients and issues with suppliers.

While you can't control what happens over the next few weeks or months, you can control how well you prepare for the unexpected. Here are six ways to manage your business through challenging times:

1. Challenge: Sales start to dip

Consumers cutting back on their spending is the first and most obvious impact. Different industries will feel the pinch at different times and in different ways, as consumers cut out what they don't need. Regardless of their industry, a business owner should think about diversifying their customer base and looking at different ways to sell. Relying on a few big customers or a single demographic – carries a certain amount of risk in stable economies, but becomes even riskier as sales decrease. Look at ways to attract a broader set of customers and meet the immediate needs of the situation. As restaurants revert to take-away only or brick-and-mortar stores look to sell online, the key here is speed. How can you operate differently to manage through the current situation?

Solution

Make it easy for your customers to buy from you. Introduce installment plans, if you are selling big-ticket items. If you own a physical store, consider setting up additional online channels for your customers to buy. Leveraging online marketplaces or social media can be a good start for smaller operations. If you already have an online store, why not consider expanding your sales to other markets.

2. Challenge: Big customers are slow to pay invoices

If you work with corporate customers or you're a service business that invoices clients rather than collecting payment at the point of sale, you'll likely find that those payments start to slow down, as we enter the period of recession that a number of economists are predicting.

Solution

Allow all of your customers to pay through card. Even though it may be cheaper to accept payment through a bank transfer, letting your customers pay with their card allows them to use the credit terms they have been offered by their own bank and may help reduce collection issues for you. There are solutions that allow you to simply share a designated link for your customers to pay online securely with their cards.

3. Challenge: Revenue projections become uncertain

From a business perspective, the hardest thing about the current situation and indeed the impending recession is the uncertainty. You don't know when or how quickly the economy will recover, so it's almost impossible to predict when your revenue will start to rebound. Consider some creative tactics for boosting your sales or fighting seasonal slumps, which may be even more pronounced in a downturn.

Solution

Cut discretionary spending. To recession-proof your business, be very cautious about making large investments in expanding your business or acquiring new equipment. Look for ways to cut your overhead expenses, including rent, utilities, insurance, advertising and PR agencies, and anything else that isn't directly related to creating and selling your product.

4. Challenge: Suppliers are struggling

A recession will affect your vendors and suppliers, too. Some will respond the way you would – by cutting expenses where they can, pushing for prompt payment of invoices and looking for creative ways to build customer loyalty. But not every business will survive a severe downturn. Consider what would happen if you suddenly lost one of your regular suppliers or if your landlord decided to sell your building. The time to think through those scenarios is now, not when the downturn hits. Be prepared.

Solution

Strengthen your relationships – and build some new ones. Strong relationships will help you weather any storm. If you've been a good customer, you may be able to ask for a cost reduction in exchange for continuing that long-term relationship. But a recession is also a good time to look for alternate vendors and make some contingency plans.

5. Challenge: Staff morale begins to slip

In a small business, there's no hiding tough times from your employees. They are as concerned as you are that this situation is unpredictable and will have dire consequences. The safety and well-being of your staff should be the number one priority. They'll probably start worrying about layoffs long before you even consider them. How can you work with your employees to develop a more flexible, agile work situation? Can they work from home or be deployed in a different way?

Solution

If there isn't enough work, encourage your teams to use their accrued leave that you may have already provisioned for. Consider a pay cut which may be a better option for your employee and saves you needing to recruit when the economy starts to recover.

6. Challenge: A heightened risk of fraud

An increase in orders taken by phone, email or instant messaging apps will, of course, provide an immediate solution to businesses forced to close their doors, but the risk could outweigh the return when small businesses are met with fraudsters. Taking the risk of accepting the card details over these channels and not obtaining authorization from the cardholder by signature or PIN does not guarantee the cardholder's authorisation for the transaction. If the card is stolen, the business owner could end up incurring chargebacks.

Solution

Stop fraudsters, not customers. There are simple plug-and-play payment solutions with built-in fraud prevention tools and settings that allow you to safely accept these types of card-not-present payments. Also, pay special attention to any unusual purchase patterns or requests from your customers:

- Any person who places an order online or over the phone that seems too large or too good to be true
- Requests to provide cashback on debit or credit card transactions
- Single orders from overseas, followed by large and repeated orders from friends or associates of the original purchaser
- Anyone who offers numerous credit card numbers to complete a transaction

Conclusion

Currently, the federal and state governments is offering many different economic survival packages which small businesses can lean on. From tax-free cashflow boosts, wage subsidy and advice from the ATO there are many ways in which small business can get through this time.

What's important to remember is to prepare and plan for the future as best you can. Ultimately, planning ahead and responding swiftly to market changes will give you the confidence to face any kind of storm and uncertainty.

Supporting your business in Australia

To help you navigate through this unprecedented time, we have collated the following solutions and resources that may be available to your business.

1. Let your customers pay remotely for their orders: Virtual Terminal

Fiserv can help with setting up an additional online channel, using our Virtual Terminal. With the Virtual Terminal, you can process payment transactions through the Internet by turning any mobile phone, tablet or personal computer (PC) into a Point of Sale (POS) terminal. It offers functions in a similar way to terminals commonly used at retail stores. You simply log into a web portal with a username and password, and enter the data needed, that is, purchase amount and cardholder details, to process the transaction

The Virtual Terminal provides access to a central, secure location where you can manage everything related to transaction processing:

- Run secure transactions yourself
- Set up your web site to run transactions for you
- Prevent fraud
- Review transaction reports

2. Three-month fee waiver: Terminal fee and minimum monthly fee

If you wish to temporarily suspend your business operation, we can offer a three-month terminal fee and minimum monthly fee waiver.

Connect with us

For more information about how Fiserv can support your payment acceptance, call us at **1800 243 444** or email **merchantservicesAU@FirstData.com**

Fiserv considers these tips to be useful for business generally. However, as each business is unique, you should consider the suitability of these tips before applying them. As such, the Fiserv group is not responsible for your reliance on the contents of this article.

[FirstData.com](https://www.firstdata.com)

3. Government support resources

Federal sponsored resources

[Business.gov.au](https://www.business.gov.au) – Coronavirus information and support for business

[ATO](https://www.ato.gov.au) – Support for business and employers

State and local sponsored resources

[New South Wales](#) – Supporting NSW during COVID-19

[Victoria](#) – Coronavirus business support

[Western Australia](#) – COVID-19 coronavirus: Business and industry advice

[Queensland](#) – Coronavirus (COVID-19)

[South Australia](#) – COVID-19 business information and support

[Northern Territory](#) – Support for business

[Australian Capital Territory](#) – Supporting local businesses and the economy

[Tasmania COVID-19](#) – Business Support, Grants and Loans

[City of Melbourne](#) – Business support during COVID-19

[City of Sydney](#) – Covid-19: Support for business

4. Business banking packages

Most banks offer support to their business clients, by reviewing clients' business loans and business credit cards conditions. You may want to talk to your bank to find out how they can help your business.