



SOUTH CAROLINA

SBDC

Small Business Strong

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SBDC Introduction

Advancing South Carolina's economic development by helping entrepreneurs grow successful businesses.

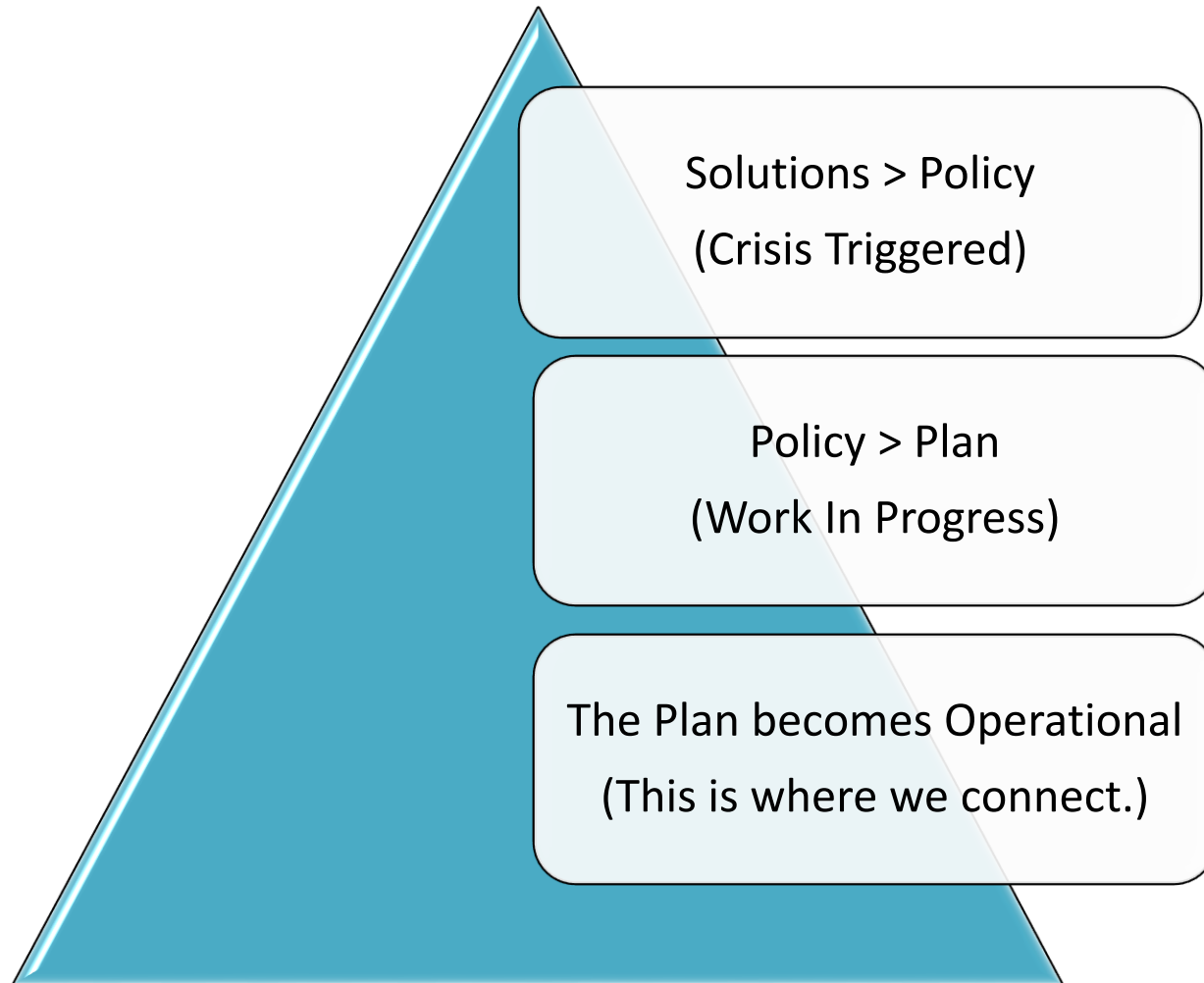
- Nationwide network of 63 programs
- Professional, trained advisors, all with small business experience
- Operate under Small Business Administration (SBA) and national accreditation standards
- SC has 20 offices with over 50 consultants in SC, over 1,000 offices nationwide

SBDC – What we do...

- **No Cost**, private consulting
- Business plans
- Financing options
- Marketing strategies
- Financial management
- Employee management
- Government contracting
- Exporting assistance
- Veterans Business Program
- Low-cost business seminars
- Resources and referrals



Crisis Management



Small Biz vs. COVID-19

- ❖ Immediate Business Disruption
- ❖ Cash Flow
- ❖ Your Team
- ❖ Those You Serve
- ❖ You & Yours

Moving Forward

- ❖ First, Be Safe & Be Responsible
- ❖ Plan for Worst-Case Scenario

❖ 4 Step Turnaround Strategy

1. *Mentally Prepare*
2. *Control Cash Flow*
3. *Provide Cash for Recovery*
4. *Communicate Your Plan*

4 Step Turnaround Strategy

❖ Step 1: Mentally Prepare

- ❑ *Strategic Decision Making*
 - *“Improvise, Adapt, and Overcome”...US Marine Corps*
- ❑ *Attitudes Can ALSO Be Viral*
- ❑ *Accept Reality – Plan to Overcome*
- ❑ *Guard Against Extremes and Falsehoods*
- ❑ *Gather Data – Analyze – Move Forward*

4 Step Turnaround Strategy

❖ Step 2: Control Cash Flow

- ❑ *Short-term: Cash Over Profits*

- ❑ *Cash Flow = Cash In – Cash Out*

 - *Work both sides of the Equation*

- ❑ *Cash In*

 - ❑ *Manage AR closely*

 - ❑ *Reinvent Products/Services*

 - ❑ *Get Creative!*

- ❑ *Cash Out*

 - *Deferments on Leases & Loan Payments*

 - *Deferments on Operating Expenses, Suppliers*

 - *Defer Capital Expenditures*

 - *Make Temporary Cuts to Operational Costs*

 - *Be Aware of Possible Assistance Programs (Tax Relief)*

4 Step Turnaround Strategy

❖ Step 3: Provide Cash for Recovery

- ❑ *Assume Worst-Case Scenario*
- ❑ *Look at all the Options Available*
 - *SBA Programs (EIDL, CARES/PPP, Express, Tax Credits)*
 - *Your Banker (Bridge Loan Options)*
 - *The 3 F's - "Friends, Family & Fools"*
- ❑ *Be Realistic*
 - *Business performance before COVID-19*
 - *Estimate 30-45 Days for EIDL & PPP*
- ❑ *This is a Dynamic Situation*
 - *Economic Conditions*
 - *Assistance Programs*
 - *Regulatory Requirements*

4 Step Turnaround Strategy

❖ Step 4: Communicate Your Plan

- Family*
- Banker*
- Team*
- Market*



What We Know Now

	Economic Injury Disaster Loan (EIDL)	Paycheck Protection Program (PPP)
Eligibility	Companies with not more than 500 employees, including cooperatives, ESOP's, and nonprofit organizations, sole proprietors, the self employed and independent contractors	Companies with the greater of no more than 500 employees, or their applicable employee size standard for their North American Industrial Classification System, 501 (c)(3) non-profits with fewer than 500 employees. Sole proprietors, the self-employed, and independent contractors Must have been in operation as of 2/15/20
Use of Proceeds	Pay fixed debts, payroll, accounts payable and other bills that can't be paid because of the disaster's impact.	Payroll, group health benefits, salary and employee commissions, interest on mortgages, rent, utilities, and interest on debt incurred before February 15, 2020.
Maximum Loan Amount	up to \$2,000,000	The lesser of \$10,000,000; OR For companies that have been in business for a year: The average monthly payroll for the preceding 12 months multiplied by 2.5; OR For seasonal businesses: Avg. total monthly payroll costs for a 12-week period from 3/1/19– 6/30/19 multiplied by 2.5; OR For companies that were not in business before the period February 15, 2019 – June 30, 2019: The average monthly payroll for the period January 1, 2020 through February 29, 2020 multiplied by 2.5; And The outstanding amount of any emergency loan made from 1/31/20 until 3/27/20.
Limitations on Payroll	None	Payroll costs excludes compensation paid to individuals including the self employed, above \$100,000
SBA Guaranty Fees	None	None
Rate	3.75% for profit 2.75% non-profit	no more than 4%

What We Know Now

Term	Up to 30 years. Terms case-by-case	10 year term after forgiveness
Payment	Deferred for one year	Deferment permitted for up to one year
Personal Guarantee	Loans over \$200,000 will require a personal guarantee	None
Collateral	Collateral required on EIDL over \$25,000; UCC on all business assets and possibly real estate	None
Forgiveness	An advance of \$10,000 will be provided as a grant within three days of application and is not required to be repaid if loan denied	<p>Equal to the amount spent by the borrower during an 8-week period after the origination date of the loan on payroll costs, interest payment on any mortgage, rent, utilities, or other interest. Forgiveness amount will be reduced by multiplying the loan amount by:</p> <p>Current FTE's divided by</p> <p>FTE's from 2/15/19 to 6/30/19;</p> <p>or FTE's from 1/1/20 to 2/29/20</p> <p>Additionally, forgiveness amount is reduced by pay reductions in excess of 25%.</p>

What We Know Now

General Guidelines

- Applicants must meet eligibility (prove injury)
- Clean credit history with US Government (esp. SBA Loans)
- Prove ability to repay
- Have most recent payroll, records, taxes and financials ready (2019 & YTD)
- Be prepared to fill out additional forms

What We Know Now

General Guidelines

- Loans not for lost sales, profit, starting a business or expansion
- Be sure to state the exact amount of funding you are requesting.
- Applicants will be given 7 days to respond to requests for additional information from the SBA
- Declines given 6 months to resubmit
- EIDL Declines should re-apply now for \$10K advance**
www.SBA.gov/Disaster

Fraud is REAL!

- SBA *does not* initiate contact on either 7a or Disaster loans.
- SBA *does not* provide grants to small businesses.
- Promises of approval for an SBA loan especially requiring payment
- Look out for phishing attacks/scams utilizing the SBA logo
- Email correspondence asking for PII should match your application number
- SBA limits the fees a broker can charge a borrower
- Emails from SBA will come from accounts ending with *gov*.
- An SBA logo *does not* guaranty information is accurate or endorsed by SBA

Report any suspected fraud to OIG's Hotline at 800-767-0385

What We Know Now

SBA Disaster Loan Assistance:

Website: <https://disasterloan.sba.gov/ela/Information/Index>

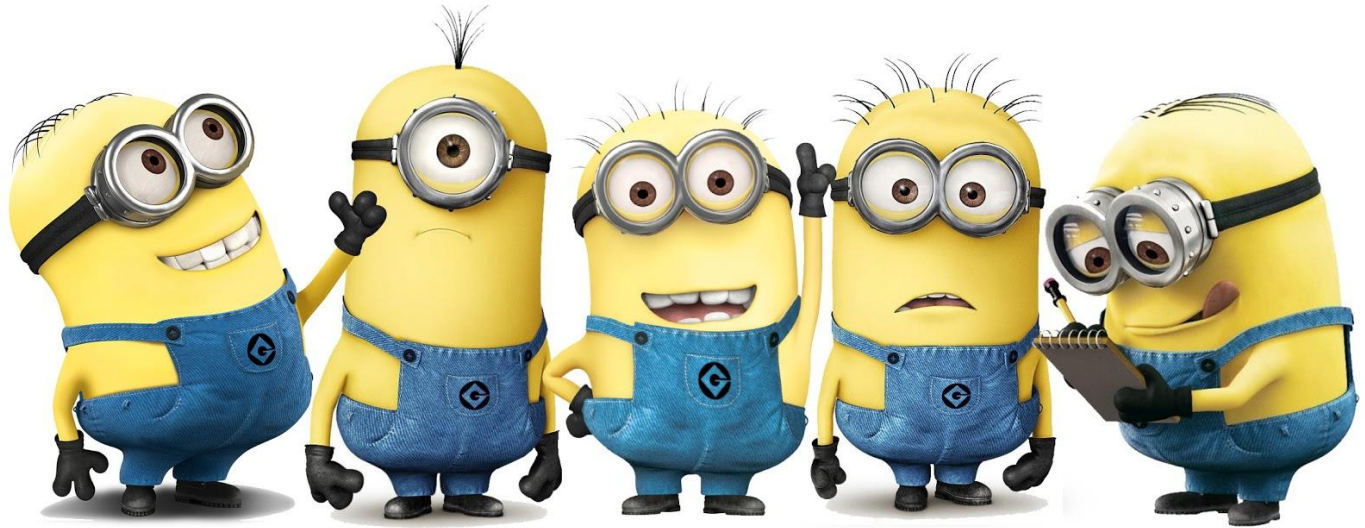
Email: disastercustomerservice@sba.gov

Phone: 1-800-659-2955

To speak to a local Small Business Development Center Representative, find your local office at SCSBDC.com.

For Upstate Resources: SCSBDC.Wordpress.com

Parting Comments or Questions



Thank You!

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