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FINANCE

Asking for Help and Clear Communication Can Aid Businesses During Coronavirus Crisis

By [Andrew Asch](#) | Wednesday, March 25, 2020

Since the COVID-19 crisis began, business consultants have been fielding questions regarding how companies can navigate the financial slowdowns that will impact their companies during the next quarter and beyond.

Ron Friedman, partner and head of consumer products and retail practice at **Marcum LLP** said that among the first things that businesses need to do is to communicate clearly what they can handle.

“Write letters to vendors informing them that you’re not open for business. You’re holding off on paying our accounts payable for now. Your receivables may not be collected as timely as you like,” he said.

He recommended that businesses pay bills to keep the lights on, such as those from utilities and communications companies. Keeping liquidity is crucial.

“Cash is king,” he said. “Do everything in your power to pay as slowly as you can.”

Many of his consumer-product clients have applied for Small Business Administration loans.

“If you can get SBA money, such as \$2 million, that you can pay back over 30 years, at 3 percent interest rate, that will save America,” Friedman said. “But if it takes 90 days to get money out, you are not saving America. It’s got to be quick”

Ken Wengrod, co-founder and president of **FTC Commercial Corp.**, said that the SBA was not the only loan agency available. He encouraged businesses to research other government loans. The **City of Los Angeles** announced emergency micro-loan programs for small businesses on March 19. The State of California’s **Infrastructure and Economic Development Bank** announced that its iBank will issue loan guarantees through the financial development corporations to help small-business borrowers get through disasters. Advising his clients regarding the current climate, Wengrod encouraged businesses to scrutinize their purchase orders and contracts to identify liabilities and how see where they are covered for disasters.

“Look at your contracts and see what options are listed. Check your insurance policies,” he said. “Do you have insurance for business interruption? Speak to your broker.”

He also counseled companies to be understanding through supporting their employees and strategic partners as much as they can, which includes longer terms.

“This is a time that you need to have an open relationship with all parties. People will appreciate that later,” he said. “It’s not complicated. You can’t panic. Take one day at a time. Before solving a problem, you have to fully understand it.”