



## Regions Wealth Podcast

### **Episode:** COVID-19 Special Episode: How Can I Protect My Business?

The impact of the coronavirus is felt by small businesses and corporations alike. With roughly 40% of business owners saying their personal wealth is tied to their business, the implications could be steep. In this special episode of Regions Wealth Podcast, Wealth Planning Executive Bryan Koepp joins us to discuss steps business owners can take to safeguard their business during this time.

### ***Episode Transcript***

Anne Johnsos:

Welcome to Regions Wealth podcast, the podcast that tackles life's challenges with financial experience. I'm your host, Anne Johnsos.

The impact of the coronavirus is felt by small businesses and corporations alike. With roughly 40% of business owners saying their personal wealth is tied to their business, the implications could be steep. This special episode will focus on steps our listeners can take to safeguard their businesses. Joining me remotely is Bryan Koepp, Regions Wealth planning executive. Bryan, thanks for being part of this while also social distancing.

Bryan Koepp:

My pleasure, Anne.

Anne:

Let's get right in. So what mistakes have you seen business owners make during times of uncertainty and hardship?

Bryan:

Well, I think a first mistake is an immediate emotional response, which by the way, is extremely easy to do considering our unprecedented circumstances that we're facing. That being said, what I would urge our business owner population to do is to drown out the noise and focus on the things that have made them successful in the weeks and months and years preceding the pandemic. I think a second major issue is the quick fix. There's no magic formula that changes things. And the main thing to focus on is we can control only what we can control. And in the mind of the business owner, control is a major issue because that is how they've built a business. That is how they've taken the risk to put themselves to be in



position to be successful. So the best thing that you can do is really take it day by day, and avoid just the emotional response to look for a quick fix.

Anne:

Some experts are predicting a second wave of COVID-19. So for those who've managed to continue on without being too heavily impacted, what measures are available to further safeguard their businesses?

Bryan:

First, let's think about what's worked. Let's focus on the positive, what has taken us to today and put us in position to be successful? Take those things that have worked, put those in the bank and if indeed we do have a second wave of the pandemic, let's utilize those things. Secondly, is the ability to leverage some of the newfound things that are going to be part of business truly moving forward. And so one of those that come to mind is technology. Depending upon your industry and type of business, the use of technology allows for us to maintain and continue operations in a way that is now much more accepted than it was three months ago. The third is, I would have a discussion with your insurance advisor, other advisors in regards to what do we need to protect from a liability perspective.

Anne:

So after the health crisis subsides, how might businesses navigate the economic conditions as we enter into what could be a recession?

Bryan:

So first and foremost, we need to think about who our clients and customers are depending upon the type of business that you run. And the first thing that comes to mind is, are those clients or customers comfortable in regards to engaging in business activity? And so that's going to differ based upon, again, whether you run a restaurant or if you manufacture some type of good or service. The second issue is the question of income. And so the pandemic has obviously been extraordinarily impactful in regards to being able to maintain operations. But that being said, the other side of that is the consumer and if they have the income in their pocket to be able to participate in the economy as we begin to recover. And so that would be looking at your business model and saying how do we get them back based upon potentially income limitations.

Third, and I think most importantly and how that ties into the other two issues that I've discussed is the commitment to your strategic plan. And so whether the recovery is a V or a U or a W the strategic plan in of itself can adjust based upon the economic conditions that we'll have moving forward, which we don't have full control over. So let's control what we can control, which is the business owner's plan to go to market, versus the things around us. The



business owner that has a great plan in place is in the best position to take advantage of whatever the recovery looks like.

Anne:

So Bryan, you're talking about strategic plans. How could a business owner review a plan? What's a good way to assess whether it might work or not?

Bryan:

In my opinion, a strategic plan is really your go to market strategy. It may be something that is drawn up on the back of a napkin. And there's great stories of entrepreneurs that have built multimillion dollar businesses based upon back of the envelope type of planning. And it's really addressing "before" and "after" to say "how do we get back up and running?" A lot of times simply putting that on paper gives you the roadmap to position yourself and be successful as events that we can't control unfold in the weeks and months ahead.

Anne:

So Bryan, we're heading into the second part of the year. What are some other options that business owners can consider?

Bryan:

Well, I think that PPP in of itself is one pillar of the economic recovery that the federal government has passed. So with that, there may be options to help further recovery and put a business owner in a better position. Some examples of that include discussing with your SBA representative bridge loans that the SBA generally has done even before the subsequent pandemic. And then as well, loan forgiveness, which is obviously part of the PPP plan. Furthermore, there's employee retention tax cuts that are available regarding refundable payroll tax credits through the end of this year. Employers can further defer their employer payroll tax payments to the end of the year. And as well, personal income tax filings have been moved back to July 15th, 2020, federally and in most states. I think the key thing is sitting down with your advisor team and talking about which is applicable, which are great alternatives, which are not, and then moving forward accordingly.

Anne:

We talk about business owners whose personal wealth is involved with their business. What are some considerations they should take into account?

Bryan:

Even though we're in the throws of a historic pandemic, now may be the time to do some exceptional legacy planning if indeed your goal is to transition your business to your children and maintain it in your family. A couple of considerations to keep in mind. The first is



valuation. Valuations right now are going to be low. The second consideration are interest rates. Interest rates right now are very favorable. If you couple valuation with interest rates at this point in time is an extremely favorable environment to engage in incredible legacy planning for you and your business. There's a number of techniques to consider discussing with your advisory team. Vehicles are at your disposal to really make the ultimate transition of your business if indeed your goal is to do it for family purposes to really create the legacy that you want to leave.

Anne:

Finally, we like to leave our listeners with some key takeaways. Is there anything that you'd like to make sure our audience members know?

Bryan:

Most definitely. I think the first is this, remember that we're in unprecedented times. So stay patient, stay educated, and stay informed. The second is that a lot of the economic impact that the country has had, and I dare say globally as well, has been, in essence, induced. So when we've seen recessions and we've seen depressions in the past, they were due to some variants. Here, this is a unique circumstance. And that's not to say that the recovery is going to be a V and an immediate uptick to the way things were before, but it is to say that it's going to be different. So keep that in mind that the road to where we want to go may not be as long as we deem it to be.

Third would be, again, we have access to a ton of information. Always look at things with an open and critical mind in regards to what the experts say. And lastly, what I'll leave you with is this, one of the reasons why in my 20 year career I've enjoyed working with entrepreneurs, small and midsize business owners, is because of their grit, their ability to take risks, and the fact that they're the backbone of our community. We're going to come out of this stronger and better than ever. And know that just so many people are behind small and midsize business owners.

Anne:

Thank you so much, Bryan Koepp, Regions Wealth Planning executive. It's good to hear a voice of reason during these unsettling times.

Bryan Koepp:

My pleasure.

Anne:

And thank you for listening. Every episode of Regions Wealth Podcast tackles a different financial challenge with the help of a Regions advisor. We hope you'll join us



again and share this podcast with a friend. See you next time.

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