

Critical Business Updates for Business Owners

EVERY OTHER WEDNESDAY

WESTERN SLOPE COLORADO

Critical Resource Updates
for Business Owners

Every Other Wednesday
@ 1PM



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Agenda

- **Welcome**
 - Erin McCuskey, Director, [Northwest Colorado Small Business Development Center](#)
- **Update on PPP Forgiveness Application**
 - Lisa Wood, [Northwest SBDC Financial Consultant](#)
- **National Consumer Trends**
 - Matt Wagner, [Main Street America](#), VP of Revitalization Programs
- **Local Consumer Trends**
 - Moderator: Erin McCuskey
 - Dr. Nathan Perry, [CMU](#), Economist, Grand Junction
 - Blair McGary, Executive Director, [Summit Chamber](#)
 - Sean Gatzen, Owner, [Wilderness Sports](#), Summit County
- **Q&A & Wrap Up**

PPP Updates

Deadline for approval is June 30

Lisa Wood, MBA
Financial Consultant
[Northwest SBDC](#)



PPP Forgiveness Application Tips

- Use the [new application](#) released June 16
- Start at the back and work forward
- Step 1 – Complete PPP Schedule A Worksheet on page 4
- Step 2 – Complete PPP Schedule A on page 3 using the worksheet
- Step 3 – Complete PPP Loan Forgiveness Calculation Form on page 1 using the PPP Schedule A
- Step 4 – Complete and sign page 2

PPP Forgiveness Application Tips

- Check with your lender to verify their interpretation of the forgiveness rules and required documentation
- Check with your tax adviser, as there may be tax consequences to you and your business

National Consumer Trends



Matt Wagner
[Main Street America](#)
VP of Revitalization Programs





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TRENDS IN THE COVID-19 RECOVERY THAT MAY SHAPE RURAL TOWNS AND SMALL BUSINESSES

Matthew Wagner, Ph.D., Vice President of Revitalization Programs, Main Street America

COVID-19 – GENERAL CURRENT STATE OF RECOVERY

- + The pandemic has both created new trends and GREATLY accelerated existing trends in all sectors of society.
- + What's temporary and what's permanent?
- + Economy vs health – need to figure out how to balance as new norm until vaccine is found.
- + Lack of certainty on many fronts: Individuals, Businesses, Civic and Government institutions operating in the grey. Which means there is an intensified need for agility, entrepreneurial thinking, speed, and willingness to fail.
- + Reopen and thus Recovery will look different depending upon where you are at, and very well could be rolling

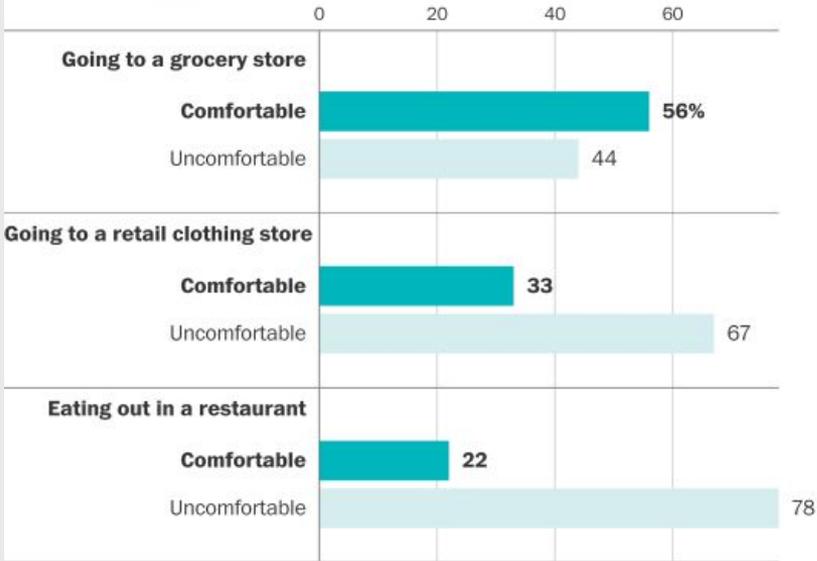
COVID19: CONSUMER DRIVERS FROM STAY AT HOME ORDERS

- + On average it takes 66 days for people to form a new habit... but can range from only 18 days to 264 days. *Stay at home, social distancing, and virus worries have been present in our lives since roughly 3 months.*
- + How we shop has obviously changed...Amazon, WalMart, and Costco are at their highest stock prices due to ecommerce
- + People are getting used to delivery and pick-up – Even for groceries
- + Yearning for nature and outdoors (trails, parks, etc)
- + We have learned to cook...Food away from home (ie. Restaurants and Bars) will undoubtedly reverse course away from its peak sales last year even after reopen.
- + Tourism shifts....more staycations, more trips by car, more Airbnb rural less so urban
- + A rush to rural....people are already at their vacation homes...will they go back?
- + Self sufficiency movement (backyard gardens, minimalism, etc)

GREATER NEED TO UNDERSTAND LOCAL HUMAN PSYCHE

A majority is comfortable going to a grocery store now; larger majorities are uncomfortable going to stores or eating out

Q: Regardless of current restrictions in your area, would you feel comfortable or uncomfortable _____ at this time?

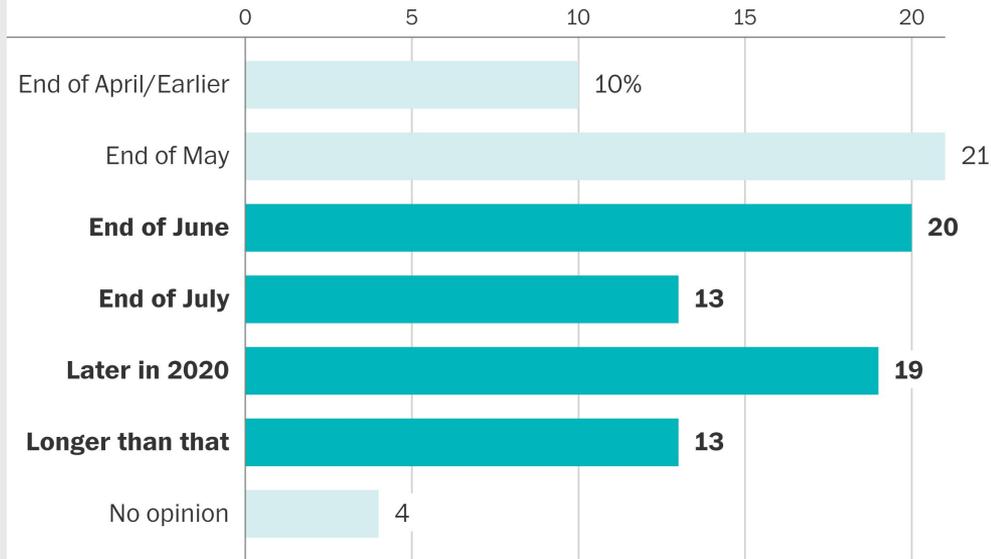


Note: "No opinion" not shown.

Source: April 28-May 3, 2020, Washington Post-U. Md. poll of 502-503 U.S. adults with a margin of sampling error of +/- 5 percentage points.

Most Americans doubt gatherings will be safe until at least summer

Q: When do you expect the coronavirus outbreak to be controlled enough that people can safely attend gatherings of 10 or more people? By the end of April, by the end of May, by the end of June, by the end of July, later in 2020 or will it take longer than that?



Source: April 14-19, 2020, Post-U. Md. poll of 1,013 U.S. adults with an error margin of +/- 3.5 percentage points.

ECONOMIC DRIVERS

- + Productivity gains from working at home...up nearly 25% - Remote work here to stay (Less commute times; less water fountain conversations, and less impromptu meetings)
- + Less business travel as companies see that technology can work
- + Rural and small town house searches up by 115% since March (Redfin)
- + Consumerism takes long-term hit:
 - Mass layoffs (40+ million and rising) will impact spending in the short-mid term
 - Household savings rates at 13%, doubling over the past 8 weeks
- + 9,700 national retailers last year, 3,000 announced already prior to Covid19 and more bankruptcies in the works – eg J CREW
- + National Sales Fall-Out During Covid (April 2020):
 - Autos (-12%); Gas Stations (-29%); Electronics (-60%); Clothing (-78%) Furniture (-59%); Restaurants & Bars (-30%); Hardware (-3.5%)
 - E-Commerce (+8.4%)
 - INTERESTING: ETSY the online retailer for small scale producers – Up 27% from March 2019 to March 2020

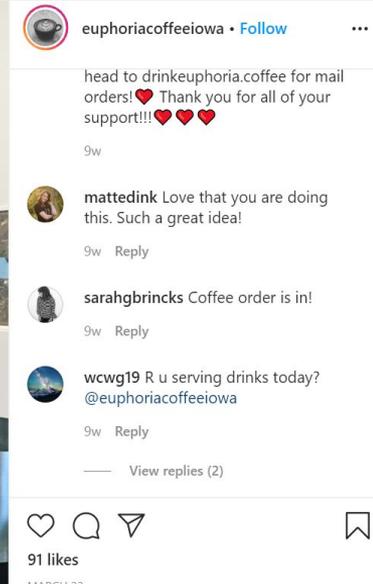
RURAL ECONOMY/SMALL BUSINESS TREND IMPACTS

- + Remote Worker Recruitment
 - Lifestyle Branding
 - Technology and Transportation Infrastructure
 - Housing
 - Shift from Smokestack to People Recruitment
 - Relocation Grants (Tulsa, State of Vermont)
 - Boomerang Campaigns (State of Maine)
- + Individual Office Space replaced with Co-working space of remote workers



RURAL ECONOMY/SMALL BUSINESS TREND IMPACTS

- + Businesses Needing to Get Back to Fundamentals by Re-examining Their Business Models
 - What should your business model be when you come out of this?
 - Is your current business model viable? If so, how can you hang on until it's viable again?
 - Are there ways you can pivot all of your expertise into a better revenue stream?
- + Little doubt businesses will need further diversity of revenues sources. Ask yourself if you should change/adapt the following:
 - What you sell
 - Whom you sell it to
 - How you deliver it



Euphoria Coffee in West Union, Iowa – Entrepreneurial agility in shifting business model to online sales and prepared food take away menu options.

RURAL ECONOMY/SMALL BUSINESS TREND IMPACTS

- + More flexible training and grant opportunities aligned with needs (it will evolve through recovery)
- + Data – Results from MSA 2nd Small Business Survey
 - Social Media (32%)
 - E-Commerce (27%)
 - Succession Planning (24%)
 - Business Model Shifts (24%)
 - **Safety Guidelines (41%)**

RURAL ECONOMY/SMALL BUSINESS TREND IMPACTS

+ New Business Opportunities

- Health and Fitness (we've come to learn about immune systems) but maybe not in gyms and fitness centers but in home tech equipment, bike and run stores.
- Small Scale Production (opportunities for greater e-commerce sales)...think those that may need kitchen equipment with restaurant closures
- Home Gardening and Natural/Organics – Do it yourself....don't get stuck going to the grocery



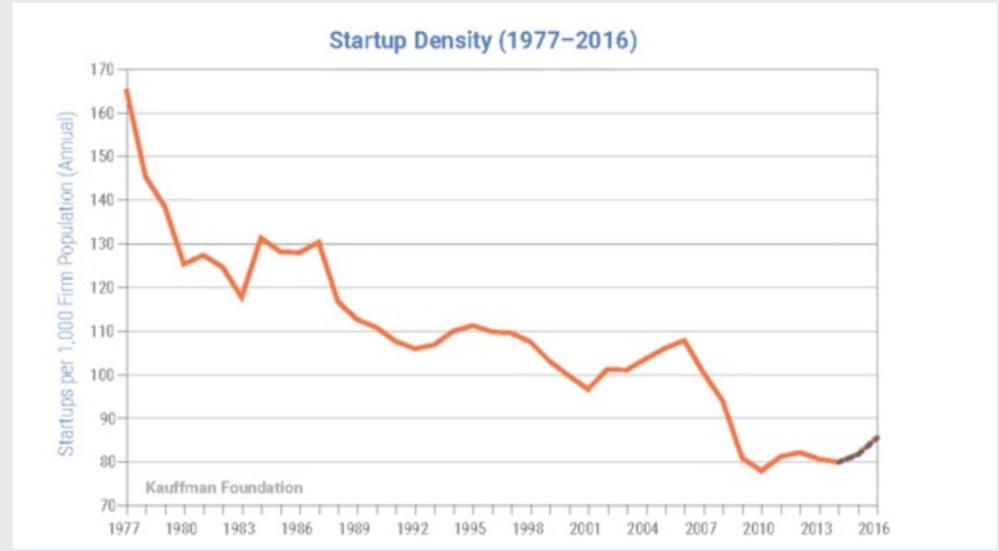
RURAL ECONOMY/SMALL BUSINESS TREND IMPACTS

+ New Business Opportunities

- Restaurants – Need to maintain delivery/pick-up? Evaluate growth opportunities with prepared foods, recipes with ingredients, and working with towns on outdoor dining/bar service regulations.
- Home Improvement (kitchen and cooking exclusive stores) – Our home time has revealed flaws and greater interest in cooking at home (or need) and home comfort items
- Home Tech – Desks, desk chairs, lighting, etc.
- New Apparel Lines – “Zoom Attire” – The casualization of apparel

RURAL ECONOMY/SMALL BUSINESS TREND IMPACTS

- + Property Owner Rental Leases – less standard leases and move toward percent sales agreements.
- + Need to re-envision office spaces
- + More Entrepreneurship Programming – in times of unemployment we see increases in rates of entrepreneurship



AS A SMALL BUSINESS WHAT SHOULD I BE DOING?

- + Engage your customers. What is their “psyche?” What will make them comfortable shopping? How has COVID impacted their shopping habits? How have their needs/wants shifted?
- + Understand your local and state reopening guidelines. Reference industry guidelines.
- + Re-examine your business model – Operational Model? Products/Services? What’s temporary, what’s permanent?
- + See out assistance from your local/regional SBDC
- + Ability to execute is key: Become more knowledgeable about alternative funding tools (eg. CDFIs, Fintech, USDA, Kiva-Other Crowdfunding Platforms)
- + Be entrepreneurial....thoughtful and strategic, but nimble, agile, fail fast, experiment, consume other industry examples

SUMMARY: BE THOUGHTFUL IN RECOVERY – NO TIME TO SIMPLY FOLLOW – BE STRATEGIC



PLANNING FOR RECOVERY: AN OVERLAY TO THE MAIN STREET APPROACH

Inputs

- + Resident/consumer recovery survey
- + Business recovery interviews
- + Existing Transformation Strategies
- + National trends from COVID
- + Local, state, and national guidelines

POST COVID-19 RECOVERY STRATEGY



Outcomes

- + Recovery activity dashboard
- + Advocacy & messaging
- + Metrics

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Main Street Forward Resources: www.mainstreet.org

A photograph of a street lined with historic, multi-story buildings. The buildings have various architectural styles, including brick facades and decorative window frames. A dark diagonal overlay covers the right side of the image, creating a gradient effect. The sky is blue with some clouds.

Q&A Thanks!

Matthew Wagner, Ph.D.
Vice President of Revitalization Programs
mwagner@savingplaces.org

Local Consumer Trends



**Moderator: Erin
McCuskey**
Director,
[Northwest Colorado
SBDC](#)



Dr. Nathan Perry
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Grand Junction



Sean Gatzert
Owner,
[Wilderness Sports](#)
Summit County



Blair McGary
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Q & A and Additional Resources

Slides from today's presentation can be downloaded at:
telluridefoundation.org/covid-19-resources-for-businesses/
and
northwestsbdc.org/covid-19

Visit the Colorado SBDC for resources specific to your location:
coloradosbdc.org

For resources related to entrepreneurs and entrepreneurial communities:
startupcolorado.org



West Slope Startup Week

July 7 - July 30, 2020

NEW VIRTUAL FORMAT

July 7. 9. 14. 16. 21. 23. 28. 30

“One week” of virtual programming throughout the month of July. Every Tuesday morning and Thursday afternoon starting July 7th

Techstars Startup Week West Slope is a free, multi-day, “choose your own adventure” meeting of the entrepreneurial minds and celebration of the #WestSlopeBestSlope way of doing business.

For more information and a detailed schedule of events, go to <https://westslopestartupweek.com/>

Questions & Call Recordings

To access the call recordings or to listen to other topics across all regions, visit the [Choose Colorado YouTube Channel](#).

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STILL HAVE QUESTIONS? Email us: startupco@colorado.edu

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Crisis Solutions for Entrepreneurs by Entrepreneurs

Startup Colorado's new podcast provides a dose of inspiration and insight on how rural business owners are responding to the ongoing crisis.

Recent episodes include:

- Money Is Still Moving
- Trinidad Entices Creatives with Affordable Housing
- New PPE Marketplace for Businesses

Subscribe today: startupcolorado.org/podcast



Join us for the next call on Wednesday, July 8th:

Western Slope call @ 1pm

Eastern call @ 3pm

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